



MORE THAN A BANK

Sustainability
and Impact
Report 2024

 **BRAC BANK**

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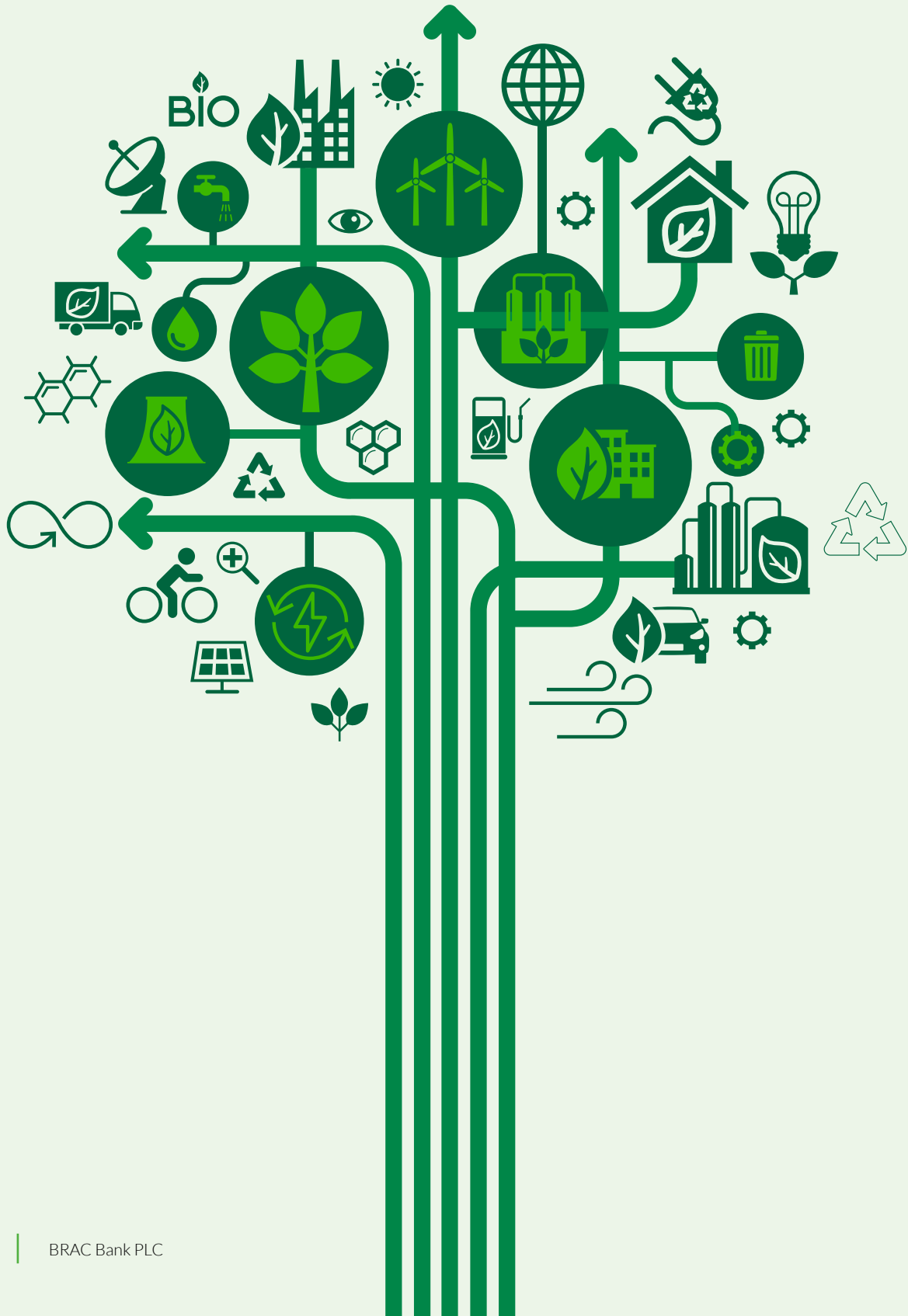


Sustainability & Impact Report 2024: More Than a Bank

The theme “More Than a Bank” reflects BRAC Bank’s commitment to sustainable growth, economic empowerment, and environmental responsibility. We are not just a financial institution; we are a force for positive change in Bangladesh, focusing on prosperity, people, and the planet.

Our approach includes financing CMSMEs, empowering women entrepreneurs, and supporting affordable housing to drive economic inclusion. We promote green finance, renewable energy, and climate-smart agriculture to reduce our carbon footprint. Our CSR programmes enhance financial literacy, digital inclusion, and provide support in healthcare, education, and gender equality, fostering a more equitable society.

BRAC Bank’s dedication to sustainability is at the core of our operations, driving long-term positive impact and helping to build a more inclusive, sustainable Bangladesh. We are truly More Than a Bank.



About The Report

We are pleased to present BRAC Bank's Sustainability and Impact Report 2024, which highlights our continued commitment to sustainable development and responsible banking. This report aligns with globally recognised frameworks and standards, including the Partnership for Carbon Accounting Financials (PCAF), the Global Reporting Initiative (GRI), the International Financial Reporting Standards (IFRS), regulatory requirements along with the United Nations Sustainable Development Goals (SDGs). By adhering to these internationally accepted guidelines, we ensure that our sustainability efforts are transparent, measurable, and impactful. Our stakeholders can easily access, compare, and analyse key sustainability indicators of our organization.

A key aspect of this report is the disclosure of our total greenhouse gas (GHG) emissions, calculated using the PCAF methodology. This provides a transparent and consistent view of our environmental impact, which is crucial in our ongoing efforts to reduce our carbon footprint and achieve our sustainability goals.

The report also includes comprehensive disclosures in line with IFRS, covering governance, strategy, risk management, and key metrics. These disclosures are central to our operations, as they ensure that our financial performance and sustainability practices are fully integrated. By following IFRS, we align our sustainability initiatives with sound governance and robust risk

management practices, demonstrating our commitment to long-term value creation and transparency.

Another important aspect of this report is the focus on the impacts of our financing activities. Through impact stories and case studies, we showcase how our financing solutions are driving positive change in the communities we serve. These examples highlight BRAC Bank's contribution to social development, environmental sustainability, and economic empowerment, in alignment with the broader goals of the Sustainable Development Agenda.

Our commitment to sustainability is also reflected in our approach to people. This report underscores our dedication to fostering inclusive growth, enhancing social well-being, and promoting employee engagement. Through various initiatives, we continue to champion diversity, equity, and inclusion, striving to make a meaningful difference for our employees, customers, and communities.

This report serves as a reflection of our progress, achievements, and challenges in the field of sustainability. It provides an opportunity to engage with our stakeholders—investors, customers, employees, and communities—on our journey toward a more sustainable, equitable, and resilient future. As we continue to evolve, this report reaffirms our commitment to sustainable banking practices and our vision of creating lasting value for both present and future generations.

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Note: The report is compiled in accordance with the GRI for the period of January 1, 2024, to December 31, 2024. Our Annual Report and IFRS disclosures can be found at <https://www.bracbank.com/en/investor-relations>





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2024

FACTS AND FIGURES



Loan Portfolio (billion)

2024
623.37
2023
519.45
Growth (%)
20%



Return on Equity (ROE)

2024
17.43%
2023
11.95%
Growth (%)
46%



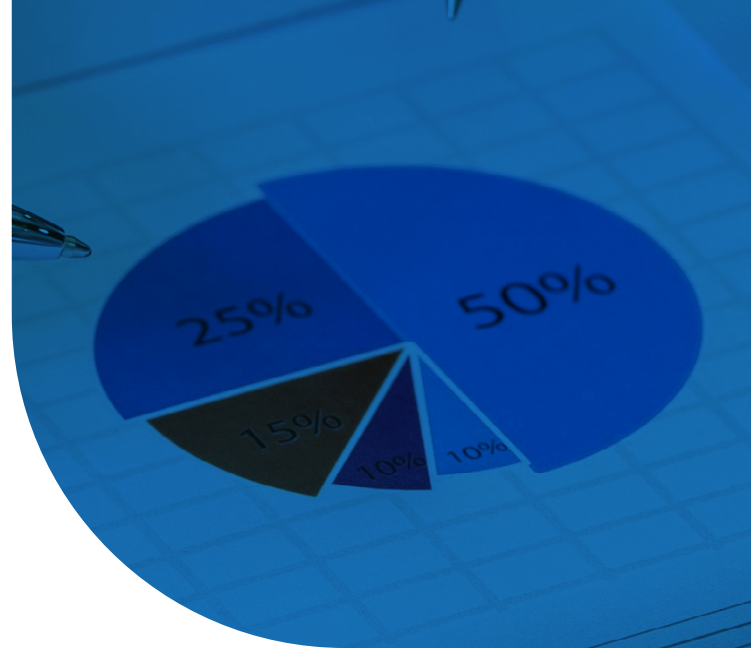
Deposit Portfolio (billion)

2024
688.62
2023
513.91
Growth (%)
34%



Return on Assets (ROA)

2024
1.46%
2023
1.13%
Growth (%)
30%



Total Asset (billion)

2024
930.13
2023
726.72
Growth (%)
28%



Non-Performing Loan (NPL)

2024
2.63%
2023
3.38%
Growth (%)
-22%



Volume in Digital Banking (billion)

2024
1,350
2023
720
Growth (%)
88%



Earnings Per Share (EPS) (BDT)

2024
6.86
2023
4.13
Growth (%)
66%

CHRONICLES OF BRAC BANK

BRAC Bank Timeline: Momentous Occasions

Unique Milestones

Major milestones in BRAC Bank's 20-year journey since launching operations

1999

Date of Incorporation

2001

Banking operations inauguration

2002

Establishment of first SME Unit office

2013

Bestowed with "Best Managed Bank" award from Asian Banker

2017

First bank in pvt. sector to have mcap crossing US\$ 1 bn

2004

IFC onboarded as investor

2006

Launch of Initial Public Offering (IPO)

2011

- Inauguration of 250th ATM
- Launch of bKash for mobile financial services

2020

First Bangladeshi bank to achieve ISO 18788:2015 certificate for standard of management of security operations- February 14, 2020

2021

- Foreign currency credit rating upgrade to "Ba3" by Moody's
- Completion of historic 20 years of operations

2023

- January 28, 2023: Country's first Premium Banking Segment - Borenno - for SME customers
- February 3, 2023: 1000th Agent Banking Outlet Milestone
- June 21, 2023: Launch of Smart Farmer's Card
- October 17, 2023: The Best Financial Institution from DHL-The Daily Star Bangladesh Business Award 2022
- November 1, 2023: Launch of TakaPay Payment Scheme
- November 30, 2023: First Sustainability Report Launched
- December 27, 2023: 'ASTHA' App marks 5 lakh users

2024

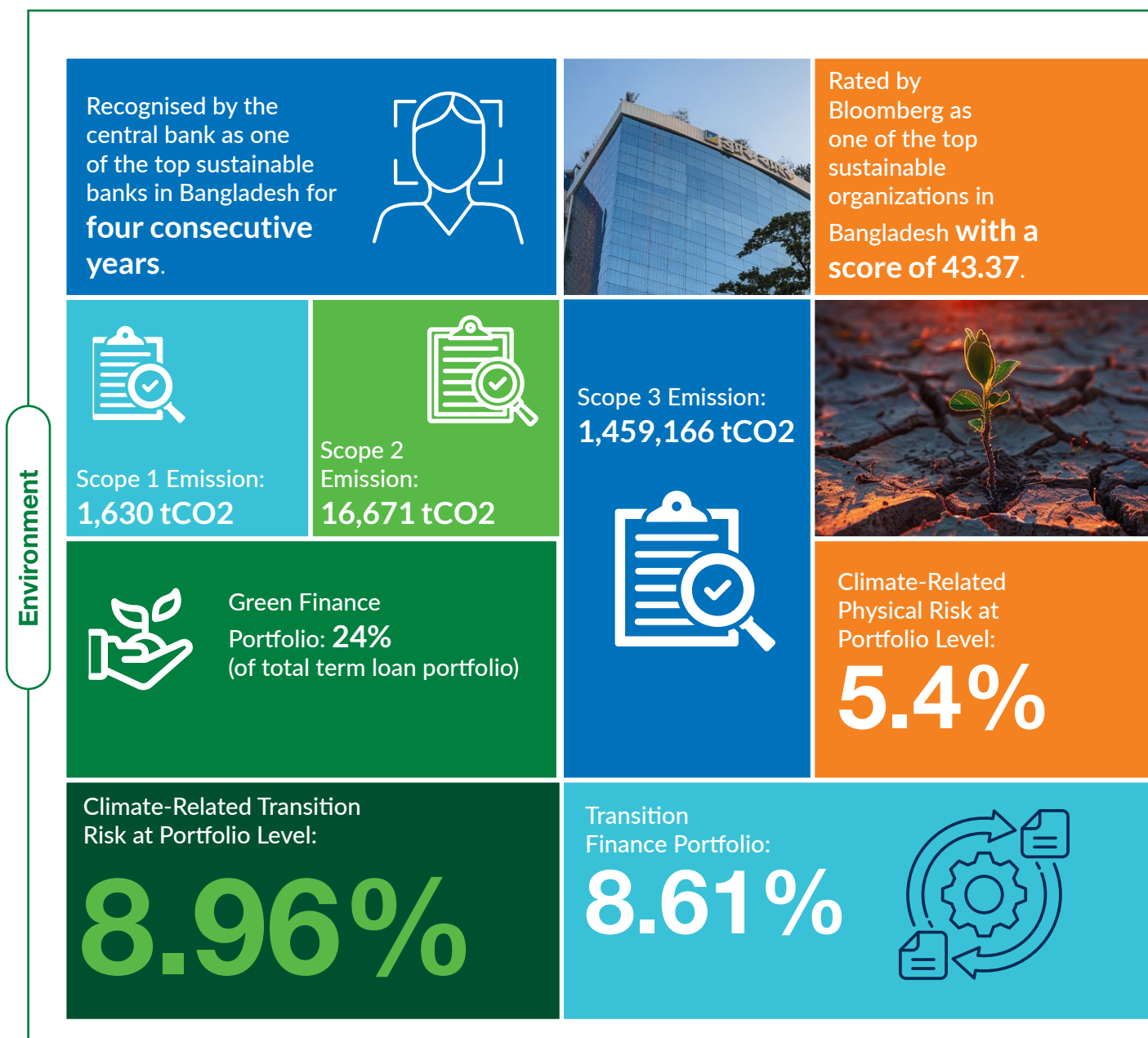
- Issuance of BDT 700 crore Subordinated Bond - February 21
- Launch of Bancassurance Service - March 14
- Piloting All-women Branch Initiative -April 30
- Launch of OBU Deposit Products - May 24
- The first bank in Bangladesh to disclose all scope of greenhouse gas (GHG) emissions - October 17
- Launch of Electronic Loan Origination System (lap) for SME- November 14
- Launch of Carbon Reduced Shipping Service with DHL - November 21
- The country's first Medical Quota Debit Card-December 9
- 'ASTHA' App marks 8 lac users - December 31

SUSTAINABILITY OVERVIEW:

Paving the Path to a Sustainable Future

At BRAC Bank, sustainability goes beyond just managing resources—it's about creating real, lasting value for our organization, employees, and the communities we serve. We focus on addressing Environmental, Social, and Governance (ESG) risks and opportunities, guided by our core principles of People, Planet, and Prosperity. By embracing these principles, we aim to drive positive change, ensuring that our actions today lead to a better, more sustainable future for everyone. Our journey is centred around the vision of "Paving the Path to a Sustainable Future."

ESG HIGHLIGHTS IN 2024



The largest social financing portfolio in the country



42% of total financing is directed toward Small and Medium Enterprises (SMEs)



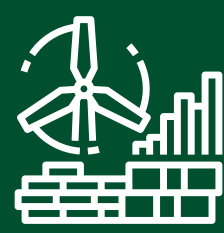
Financing for women entrepreneurs represents 24% of the total industry financing for Women-Owned SMEs (WSMEs)



Socially Responsible Finance Portfolio: 5.6%



Through Affordable Housing Financing, we have positively impacted the lives of 4,355 individuals



Socioeconomic Advancement & Empowerment Financing: 4.63%



78% of the board is comprised of independent directors, the highest percentage in the country.



30%



female representation on the board.



A commitment to prudent risk management policies.



A robust information security system is in place to safeguard data and operations.



SUSTAINABLE FINANCE UNIT JOURNEY

BRAC Bank is committed to driving sustainable finance, creating long-term value for society, the environment, and our stakeholders. This infographic highlights key milestones in our sustainability journey, showcasing our efforts in green financing, strategic partnerships, and impactful initiatives. Each achievement reflects our dedication to a more inclusive, resilient, and environmentally responsible future.



2016

Partnership with IFC
PaCT & Launched
“Planet Solution”



2019

Piloted First Ever
UNGC SME Toolkit




2023

Published First
Ever Sustainability
Report of BRAC
Bank PLC.





2019
Became a signatory to UN Global Compact



2019
Climate Change commitment with GABV, became a signatory of PCAF



2019
Became the Executing Entity of USD 150 Mn Green Climate Fund Project




2021
Partnership with ADB to Launch New ESRM Tool for Trade Finance



2022
Issued Affordable Housing Bond of USD 50M Subscribed by IFC



2023
Received USD 100 million green finance Citi-JICA Facility which is its first-ever private sector financing in Bangladesh



2024
Top sustainable bank for 4th consecutive time rated by Bangladesh Bank



2024
Top sustainable company rated by Bloomberg



2024
Established 50 sustainable finance help desk

SUSTAINABILITY ACHIEVEMENTS: 2024

Top ESG Performer

BRAC Bank was ranked as the **highest graded ESG performer** among banks in Bangladesh, as rated by **Moody's Investors Service**, further demonstrating our leadership in environmental, social, and governance performance.

Industry Recognition

- We were recognised as **One of the top sustainable banks four consecutive times** by the central Bank.
- Bloomberg ranked us as one of the **top sustainable companies in Bangladesh** with a score of **43.37**, further solidifying our commitment to sustainable practices.



Strong Portfolio Growth

- Sustainable Finance:** Achieved a remarkable **67% growth in sustainable finance**.
- Green Finance:** Grew by **37%**, reflecting our continued dedication to financing environmentally responsible projects.



Outstanding Disbursement

- Green Finance:** We exceeded the Bangladesh Bank target of 5%, reaching an impressive **20.3%** disbursement.
- Sustainable Finance:** With a target of 20%, we achieved **92.7%**, showcasing our strong performance in the sustainable finance space.

Market Leadership

Our market share in sustainable finance stands at **8.9%**, with **10.7%** in green finance, positioning us as a key player in the sector.



BRAC Bank maintained its position as the **leading bank in sustainable financing** throughout all quarters of 2024, consistently ranking first in the country.

Sustainable Financing Leadership

Our Chief Sustainability Officer (CSO) was honoured with the prestigious **UN SDG Pioneer Award** by the **UNGC Network Bangladesh** for outstanding contributions to advancing the Sustainable Development Goals (SDGs).

Awards and Recognition for Leadership in Sustainability

We established **50 Sustainable Finance Helpdesks** across the country, ensuring that sustainable financing solutions are easily accessible to businesses and communities nationwide.

Expansion of Sustainable Finance Support

CHAIRPERSON'S MESSAGE

Sustainability is a shared responsibility. Governments, businesses, civil society, and individuals must work together to create an inclusive and resilient future. BRAC Bank is committed to doing its part—not just as a financial institution but as a changemaker that empowers people, protects the planet, and fosters prosperity.



At BRAC Bank, we, as firm believers in BRAC's vision and values, have always believed that banking is not just about transactions but about meaningful transformation and impact. As we present our Sustainability & Impact Report 2024, we reaffirm our unwavering commitment to being More than a Bank—an institution that catalyses financial inclusion, economic empowerment, and sustainable growth in Bangladesh.

This report encapsulates our journey, our achievements, and our future aspirations. It is a testament to the trust placed in us by millions of customers, the dedication of our co-workers, and our steadfast vision to be the largest and most impactful bank in Bangladesh.

Our Sustainability Vision: Responsible Growth for a Resilient Future

Sustainability is no longer just an option; it is a necessity. As a responsible corporate citizen, BRAC Bank integrates Environmental, Social, and Governance (ESG) principles into the core of our operations. Our sustainability strategy aligns with the Sustainable Development Goals (SDGs), ensuring our growth is inclusive, ethical, and environmentally conscious.

As one of the top-rated sustainable banks in Bangladesh, recognised by the Bangladesh Bank for four consecutive years, we have taken significant steps to incorporate sustainability into our business model. We have strengthened our green banking initiatives, expanded our financial inclusion efforts, and improved our governance frameworks to create long-term value for all stakeholders.

Financial Inclusion & Impact: Bridging the Gap

BRAC Bank has consistently advocated for financial inclusion for cottage, micro, small, and medium enterprises (CMSMEs), women entrepreneurs, and underserved communities. Over 41% of our loan portfolio is dedicated to CMSMEs, making us the leading bank in Bangladesh focused on this sector. Notably, 60% of our CMSME loans reach rural areas, enabling us to revitalise the rural economy, empower thousands of entrepreneurs, create jobs, boost local economies, and facilitate long-term socio-economic development.

Our women-led banking initiatives under the TARA platform continue to make significant progress. In 2024 alone, we facilitated financing worth BDT 1,992 crore for women entrepreneurs, ensuring they have the resources and confidence to advance their businesses. By supporting these entrepreneurs, we not only promote gender equality but also strengthen the foundation of our economy.

Green Banking & Climate Action: A Greener Tomorrow

As the climate crisis worsens, the financial sector must actively promote sustainable solutions. At BRAC Bank, we

have enhanced our green banking initiatives to support renewable energy, energy-efficient projects, and climate-resilient agriculture. In 2024, we disbursed BDT 56,917 million in green financing, demonstrating our commitment to mitigating environmental risks and encouraging sustainable business practices.

Our sustainable financing portfolio constitutes 81% of the bank's total portfolio, accounting for approximately 9% of the market share. Within this, 24% is allocated to Green Finance, representing about 11% of the total market share—one of the highest in the industry.

Furthermore, we have implemented concrete measures to reduce our carbon footprint by transitioning to energy-efficient operations, digitising services to minimise paper use, and optimising resource management across our branches and corporate offices.

Digital Transformation: Banking Beyond Borders

The future of banking is digital, and BRAC Bank is at the forefront of this transformation. Our investment in cutting-edge technology has enabled us to provide seamless, secure, and customer-centric banking experiences. Through digital innovations such as mobile banking, AI-driven customer support and security features, we have redefined how banking is done in Bangladesh.

In 2024, we expanded our agent banking network, reaching the country's most remote corners and ensuring that financial services are accessible to all. With 0.8 million customers onboarded onto our digital platforms as of 2024, we are expanding our footprint and breaking barriers to bring financial services to the underserved.

Governance & Ethical Banking: A Stronger Foundation

At the heart of BRAC Bank's success lies our commitment to governance, transparency, and ethical banking. We adhere to the highest standards of corporate governance, ensuring compliance with regulatory frameworks and global best practices. Our robust risk management protocols and anti-corruption policies safeguard the trust our stakeholders place in us.

In 2024, we further strengthened our governance frameworks, reinforcing our position as a model of ethical banking in Bangladesh. Our customer-centric approach, guided by integrity and accountability, ensures we uphold our responsibilities to shareholders, regulators, employees, and communities.

Investing in People: Our Greatest Asset

Our people are the driving force behind our achievements at BRAC Bank. We believe in fostering a culture of excellence, diversity, and inclusivity. We are committed to women's empowerment, and with 1,536 female colleagues

making up about 16% of our total workforce, we aim to increase that percentage to 25% by 2030.

We have introduced industry-leading development programmes for our co-workers, ensuring that our workforce has the skills and knowledge to thrive in an evolving financial landscape. Additionally, our workplace policies prioritise co-worker well-being, promoting a culture of innovation, collaboration, and continuous learning.

We are proud to be acknowledged as one of Bangladesh's best employers, which attests to our dedication to creating a supportive and empowering work environment.

Challenges & The Road Ahead

Despite global economic uncertainties, Bangladesh remains a land of enormous opportunity. The financial sector must play a pivotal role in sustaining economic resilience. BRAC Bank is fully committed to leading this charge. While challenges persist—from climate change to global market volatility—we see them as opportunities to innovate, adapt, and emerge stronger.

Looking ahead, our strategic priorities remain clear:

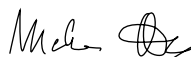
- To expand our financial inclusion footprint, ensuring banking services reach every Bangladeshi.

- To accelerate our sustainability agenda, driving green finance and responsible banking.
- To enhance digital capabilities, ensuring secure, seamless, and efficient customer experiences.
- To uphold the highest standards of governance and ethics in all our operations.

A Call for Collective Action

Sustainability is a shared responsibility. Governments, businesses, civil society, and individuals must work together to create an inclusive and resilient future. BRAC Bank is committed to doing its part—not just as a financial institution but as a changemaker that empowers people, protects the planet, and fosters prosperity.

I sincerely thank our customers, co-workers, shareholders, and regulators for their unwavering trust and support. Together, we will continue to build a bank that is truly more than a bank; it is a bank that drives impact, innovation, and inspiration for generations to come.



Meheriar M. Hasan

Chairperson, Board of Directors

MESSAGE FROM THE MD AND CEO

BRAC Bank remains steadfast in its commitment to sustainable excellence. We will continue to innovate, adapt, and lead in driving positive social, environmental, and economic impact. Our focus will be on expanding green finance, deepening support for CMSMEs, and leveraging technology to create inclusive financial solutions.



Dear Valued Stakeholders,

As we reflect upon 2024, it is with pride and gratitude that I present BRAC Bank's Sustainability and Impact Report 2024, themed 'More than a Bank'. This theme encapsulates our unwavering commitment to transcending traditional banking paradigms, positioning ourselves as a catalyst for sustainable development, social empowerment, and environmental stewardship in Bangladesh.

A Legacy of Purpose-Driven Banking

Since our inception in 2001, BRAC Bank has been guided by a singular vision: to build a profitable and socially responsible financial institution that supports BRAC and its stakeholders in fostering a just, enlightened, healthy, democratic, and poverty-free Bangladesh. This vision has been the cornerstone of our operations, driving us to innovate and adapt to serve our communities. While we are a full-service and multi-segment bank, we also emphasize sustainable growth in the Small, Micro, and SME (CMSME) sector, continuous low-cost deposit growth with controlled retail asset expansion, and funding corporate assets through self-liability mobilization.

Empowering CMSMEs: The Heartbeat of Our Economy

CMSMEs are the backbone of our economy, and at BRAC Bank, we are deeply committed to their growth and sustainability. Guided by the vision of Sir Fazle Hasan Abed to finance the unbanked, BRAC Bank has emerged as a leader in inclusive financing. Today, CMSMEs constitute over 42% of our loan portfolio, distinguishing us within the industry. In 2024, we continued to provide collateral-free loans, ensuring that entrepreneurs across the nation have access to the financial resources necessary for growth and innovation.

Championing Green and Sustainable Finance

In our pursuit of environmental sustainability, BRAC Bank has been at the forefront of green finance initiatives. We offer a suite of green financial products, including low-interest funding for renewable energy projects, waste management solutions, and energy-efficient technologies, supported by Bangladesh Bank's refinancing schemes and partnerships with Development Finance Institutions.

By aligning our disclosures with global sustainability standards, such as the Global Reporting Initiative and the International Sustainability Standards Board (ISSB), we ensure our financial solutions contribute to a greener, more sustainable future.

Integrating Environmental, Social, and Governance (ESG) Principles

Sustainability is at the core of our corporate ethos. As a member of the Global Alliance for Banking on Values (GABV) and the United Nations Global Compact (UNGC), and a signatory of the Partnership for Carbon Accounting Financials (PCAF), we uphold rigorous ESG principles. These affiliations guide our decision-making processes, ensuring that we support initiatives that positively impact environmental and social outcomes while maintaining economic viability.

Recognitions and Milestones

The year 2024 has been marked by significant accolades that underscore our commitment to sustainability. Our Deputy Managing Director and Chief Operating Officer, Md. Sabbir Hossain, was honoured with the SDGs Pioneer Award 2024 by the Global Compact Network Bangladesh (GCNB). This recognition highlights his exemplary dedication to integrating sustainability into our core operations and BRAC Bank's pioneering role in promoting climate-resilient agriculture, sustainable financing, and inclusive financial services in Bangladesh.

Strategic Partnerships for Sustainable Growth

Our collaborations with international financial institutions have been pivotal in advancing our sustainability agenda. In 2024, we secured \$50 million from British International Investment (BII), the UK's development finance institution (DFI) and impact investor. This fund will support micro, small and medium enterprises (MSMEs) and women-led businesses via our extensive network.

Corporate Social Responsibility: Building Resilient Communities

Our CSR initiatives at BRAC Bank empower communities and foster resilience. We focus on financial inclusion, climate resilience, diversity, equity, and inclusion. Our education, healthcare, social welfare, and environmental conservation initiatives reflect our holistic approach to community development. By investing in impactful programmes, we aim to create a sustainable future for generations to come.

Digital Transformation: Enhancing Customer Experience

In our quest to be more than a bank, we have embraced digital transformation to enhance customer experience and operational efficiency. Our mobile banking app,

'Asta,' has revolutionized customer interactions, offering seamless access to financial services. This digital shift meets evolving customer needs and aligns with our sustainability goals by reducing dependence on physical resources.

Future Outlook: Committed to Sustainable Excellence

Looking ahead, BRAC Bank remains steadfast in its commitment to sustainable excellence. We will continue to innovate, adapt, and lead in driving positive social, environmental, and economic impact. Our focus will be on expanding green finance, deepening support for CMSMEs, and leveraging technology to create inclusive financial solutions.

Being "More than a Bank" is not just a theme for this report but a reflection of our identity and purpose. We are dedicated to building a sustainable future, empowering communities, and fostering an environment where every individual has the opportunity to thrive. I sincerely thank our customers, employees, partners, and stakeholders for their unwavering support and trust. Together, we will continue to transcend traditional banking, making meaningful impacts on society and the environment.

Thank you.



Selim R.F. Hussain
MD and CEO

MESSAGE FROM CHIEF SUSTAINABILITY OFFICER



Sustainability is not just a principle we uphold at BRAC Bank – it is the very foundation of our identity. As a values-based bank, we embrace our responsibility to foster sustainable practices that positively impact society and the environment.

Sustainability is not just a principle we uphold at BRAC Bank – it is the very foundation of our identity. As a values-based bank, we embrace our responsibility to foster sustainable practices that positively impact society and the environment. Our approach extends beyond banking; we are a committed partner in Bangladesh's economic transformation towards a more climate-resilient and sustainable future.

To achieve this vision, we have set ambitious sustainability goals for 2025, focusing on responsible banking and developing innovative sustainable financing products. We continuously strengthen our internal ESG capabilities to assess sustainability risks and implement robust mitigation strategies. Our commitment is reflected in our adoption of digital solutions prioritizing environmental and social impacts, ensuring a seamless and sustainable banking experience for our customers.

As a founding member of the Global Alliance for Banking on Values (GABV) and a signatory to the UN Global Compact, we align our activities with the global Sustainable Development Goals (SDGs). These initiatives are designed to create real, measurable change in the world.

In 2024, we made significant strides in sustainable financing, disbursing BDT 665,596 million in Sustainable Finance and BDT 56,917 million in Green Finance which exceed both regulatory requirements and industry benchmarks. Our strategic collaboration with Bangladesh Bank enables us to offer low-cost, sustainable, and green finance options under refinance schemes such as TDF and GTF, facilitating environmentally responsible business practices across industries.

Recognizing the importance of digital transformation in sustainability, we actively encourage our customers to use electronic and alternative banking channels. Last year, over 61 million transactions, amounting to over BDT 4 trillion were conducted through our digital

banking platforms, Astha and CorpNet. These solutions significantly reduced transportation needs, paper usage, and operational inefficiencies, thereby helping reduce fossil fuel consumption.

Our commitment to social responsibility is equally strong. In 2024, we invested BDT 239 million in various CSR programmes spanning healthcare, education, and disaster management. Our special CSR fund focused on agricultural sustainability and climate adaptation initiatives, benefiting over 2,500 marginalized farmers and their families in rural Bangladesh.

Additionally, our Sustainability and Impact Report 2024 incorporated the GHG emissions calculation of Scope 1, 2, and 3 for our bank, achieving recognition from the Partnership for Carbon Accounting Financials (PCAF) as a PCAF Standard-compliant report. Bangladesh Bank has ranked BRAC Bank among the top banks in sustainability ratings for four consecutive years, a testament to our unwavering commitment.

As we move forward, we extend our sincere gratitude to our stakeholders. Your trust and unwavering support have been instrumental in our sustainability journey. We deeply appreciate your role in driving our shared vision of a sustainable Bangladesh.

Together, we are more than a bank – we are meaningful partners in progress, committed to building a greener, more sustainable future.

Warm regards,



Sabbir Hossain

DMD and Chief Operating Officer and
Chairman, Sustainable Finance Committee





Our Impact Driven Sustainability Approach

A GLIMPSE OF BRAC BANK

Brief Synopsis

Founded with a bold vision, BRAC Bank set out to transform Bangladesh's financial landscape by empowering the unbanked and the underbanked. With a pioneering focus on Small and Medium Enterprises (SMEs), the bank became a catalyst for economic inclusion by offering small-ticket loans to grassroots entrepreneurs and integrating them into the formal banking ecosystem.

Inspired by its parent organization, BRAC—the world's largest NGO—BRAC Bank embodies a values-based approach to banking, where impact goes beyond profit. Today, its SME-dominated loan portfolio fuels thousands of businesses, fostering economic resilience and innovation across the nation.

At the heart of BRAC Bank's success lies its unwavering commitment to Integrity, Innovation, Inclusiveness,

Customer Centricity, and Effectiveness—its guiding “3ICE” principles. With cutting-edge technology and regulatory excellence, it became Bangladesh's first bank to achieve ISO 27001:2013 certification, setting a benchmark for secure and compliant banking.

As the sole Bangladeshi member of the Global Alliance for Banking on Values (GABV), BRAC Bank stands as a global advocate for sustainable and ethical banking. GABV unites 70 financial institutions across 45 countries, managing assets worth over USD 265 billion and serving over 50 million customers. Through this global network, BRAC Bank champions responsible finance and green banking, and creates a sustainable impact, proving that banking can be a force for good.

Driven by purpose and powered by values, BRAC Bank is more than just a bank; it is a movement towards a more inclusive, sustainable, and prosperous Bangladesh.

Share Capital

Particulars	2024 (BDT)	2023 (BDT)
Authorized share capital	50,000,000,000	50,000,000,000
Issued, subscribed and paid-up capital	17,697,121,490	16,088,292,270

Credit Rating

Based on the financial statements of December 31, 2024 and December 31, 2023, as well as other quantitative and qualitative information, BRAC Bank's ratings are as follows:

Credit rating agency (Domestic)	Based on FS 2024	
	Long-term	Short-term
CRAB	AAA	ST-1
ECRL	AAA	ST-1

Credit rating agency (Global)	Based on FS 2023	
	Long-term	Short-term
S&P Global	B+	B
Moody's	B2	NP

BRAC Bank has been assessed by several renowned credit rating agencies worldwide. The ratings signify that BRAC Bank is one of Bangladesh's most financially solvent banks, with a secure ability to fulfill all its financial obligations. Furthermore, even amidst all the economic turmoil and the post-pandemic challenges, in comparison to 2023, the bank was able to secure superior credit ratings in 2024.

BRAC Bank's credit rating, based on its financial statements for the year ended December 31, 2024, is under process and will be published in due course.

Key Information About the Bank

BRAC Bank's business can be broadly classified into three major wings:



Corporate Banking



SME Banking



Retail Banking

Service points

Network

The bank has established an expansive network of service touchpoints across Bangladesh in its efforts to make access to banking a reality for all. The bank serves 2 million people, mostly in rural and semi-urban parts of the country. Furthermore, the bank's agent banking network, comprising an effective branchless banking model that dispenses all the services of a typical branch, conducted 7,400,084 transactions in 2024.



8

Business regions

74

Total Sub Branches

446

SME unit offices

189

Total branches
(including SME SC/KB)

22

Premium lounges

68

CDMs

329

ATMs

1,119

Agent banking outlets

Office Address

Corporate Office Address

BRAC Bank PLC.

Head Office: Anik Tower, 220/B, Tejgaon-Gulshan Link Road, Tejgaon I/A, Dhaka-1208, Bangladesh

Share Department

BRAC Bank PLC.

Head Office: Anik Tower (Ground Floor), 220/B, Tejgaon Gulshan Link Road, Tejgaon I/A, Dhaka-1208, Bangladesh
Phone: 09677555124, 09677555125



Subsidiary Information

Within Bangladesh



BRAC EPL Investment Limited

Medona Tower, Level 13, 28
Mohakhali C/A, Dhaka-1213,
Bangladesh



BRAC EPL Stock Brokerage Limited

Symphony (3rd Floor) SE (F)-9,
Road No-142, Gulshan Avenue,
Dhaka- Bangladesh.



bKash Limited

Shadhinata Tower, Bir Sreshtha
Shaheed Jahangir Gate, 546
Shaheed Sharani, Dhaka-1206,
Bangladesh.

Outside Bangladesh



BRAC Saajan Exchange Company Limited

160-162, Lozells Road, Birmingham, West Midlands, B19 2SX, United Kingdom.

Capital Market Details

Particulars	DSE	CSE
Stock symbol	BRACBANK	BRACBANK
Company/scrip code	11138	22029
Year of listing	2007	2007
Market category	A	A
Electronic share availability	Yes	Yes
Face value of each share (BDT)	10	10
Total number of securities	1,769,712,149	1,769,712,149

OUR ESG APPROACH

Our vision is to establish ourselves as a leading sustainable bank, driving long-term economic, environmental, and social growth through responsible business investments and banking practices. At the heart of this vision is our commitment to advancing green and sustainable finance to meet both international and national sustainability goals.

To achieve this, we actively engage with our stakeholders to integrate Environmental, Social, and Governance (ESG) factors into our decision-making processes. In line with our commitment to sustainability, we have launched 50 dedicated Sustainable Finance Help Desks across the country, making it easier and faster for clients to access support for their green projects. We offer technical guidance to help assess the value and scope of these projects, acting as a trusted partner to safeguard our clients' interests. Furthermore, we ensure that all

Environmental and Social Risks are carefully managed in compliance with the ESRM guidelines issued by the central bank.

A key priority for us is contributing to the achievement of the Sustainable Development Goals (SDGs), with a strong focus on providing financing to SMEs that create jobs while promoting environmentally friendly practices. By incorporating ESG criteria into our lending and investment decisions, we are ensuring that our financial activities align with the broader goal of sustainable development.

Internally, we are committed to adopting sustainability practices that support our values, such as reducing our carbon footprint and fostering diversity and inclusion within our workplace. Through these initiatives, we continue to lead by example, paving the way toward a sustainable future for all.



WE PRIORITIZE

Responsible lending
Lending practices that prioritize environmental and social impact, as well as financial return.

Stakeholder engagement
Engaging with customers, employees, investors, development partners and other stakeholders to understand and respond to their sustainability needs and expectations.

Sustainable investments
Investing in sustainable initiatives, such as green industry, waste management initiatives and energy-efficient projects that have both positive financial returns and positive environmental and social impacts.

Transparent communication
Communicating the bank's sustainability performance and policies, including thorough regular regulatory reports and ESG ratings coming from credit rating agencies.

Internal sustainability practices
Adopting sustainable practices internally, such as reducing the bank's carbon footprint, increasing diversity and inclusion in the workplace, and managing waste and energy usage.

THEORY OF CHANGE

IMPACT GOAL

- Inclusive growth
- Financial access
- Innovation
- Sustainability

KEY PROBLEMS

- Limited access to finance
- Underdeveloped financial infrastructure
- Environmental vulnerability
- Gender inequality
- High informal economy
- Low digital adoption in rural areas

INPUTS

- Financial resources
- SME products
- Sustainability practices
- Digital platforms
- Capacity-building
- Good Governance

ACTIVITIES

Financial Inclusion & SME Banking:

- Collateral-free loans
- Women's financing
- Branchless banking

Sustainability & Green Finance:

- Renewable investment
- ESG integration
- Sustainable projects

Innovation & Digital Transformation:

- Digital banking
- Fintech partnerships
- Cashless transactions

Capacity Building & Social Impact:

- Financial literacy
- Policy collaboration
- CSR engagement

OUTCOMES

Short-Term:

- Access to finance
- Digital adoption
- Awareness

Medium-Term:

- SME empowerment
- Risk management
- Financial resilience

Long-Term:

- Inclusive ecosystem
- Job creation
- SDG alignment



BRAC BANK'S THEORY OF CHANGE:

Driving Inclusive Growth and Sustainability

BRAC Bank's Theory of Change is centred around its vision to foster inclusive economic growth, promote environmental sustainability, and ensure financial inclusion for underserved communities in Bangladesh. By linking

its activities to short-term, medium-term, and long-term outcomes, BRAC Bank creates a clear pathway to achieve its impact goals, which are deeply embedded in its core values of innovation, empowerment, and responsibility.

Impact Goal

BRAC Bank aims to create a more inclusive and sustainable financial ecosystem in Bangladesh. This is achieved through responsible banking practices that promote economic empowerment, particularly through supporting Small and Medium Enterprises

(SMEs), individuals, and communities, while driving sustainability through green finance initiatives. The goal is to bridge the gap in financial access and contribute to the country's growth, making sure that no one is left behind.

Key Problems Addressed:

BRAC Bank identifies several key challenges within the financial ecosystem that hinder economic growth and inclusion:



Limited Access to Finance

Many SMEs, women entrepreneurs, and marginalized groups struggle to access formal financial services due to high collateral requirements and lack of financial literacy.



Environmental Vulnerability

Bangladesh faces significant environmental challenges, including floods, cyclones, and river erosion, which impact local economies, especially in agriculture and small businesses.



Gender Inequality

Women entrepreneurs, particularly in rural areas, face barriers in accessing financial services and entrepreneurial opportunities.



Underdeveloped Financial Infrastructure

The financial infrastructure in remote areas is still underdeveloped, limiting access to banking services for large segments of the population.



Digital Divide

While urban areas are adopting digital banking, rural and underserved communities often lack the necessary digital infrastructure or literacy to access modern financial products.

Inputs:

To address these challenges, BRAC Bank deploys a variety of resources and strategies:

Financial Resources Allocating capital for SME financing and financial inclusion initiatives.	SME-Focused Banking Products Collateral-free loans, microfinance options, and tailored financial products for women and rural businesses.	Sustainability Driven Policies Integration of Environmental, Social, and Governance (ESG) principles into lending decisions.	Digital Platforms Investment in mobile banking, fintech partnerships, and digital services that increase financial access.	Capacity-Building Programmes Financial literacy programmes for entrepreneurs and individuals, especially in underserved areas.	Strong Governance & Risk Management Ensuring that all financial activities comply with sustainability and risk management frameworks.
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Activities:

BRAC Bank carries out a range of activities designed to bring about systemic change in Bangladesh's financial ecosystem:

1. Financial Inclusion & SME Banking

- Providing collateral-free loans to SMEs and supporting women entrepreneurs.
- Expanding branchless banking and agent banking networks to reach underserved areas.
- Offering tailored financial advisory services to small business owners.



2. Sustainability & Green Finance

- Financing renewable energy projects, green technologies, and climate-resilient businesses.
- Integrating ESG factors into all lending and investment decisions.
- Partnering with stakeholders for large-scale sustainable development projects.



3. Innovation & Digital Transformation

- Enhancing digital banking services like mobile banking, e-wallets, and online payments.
- Promoting cashless transactions and mobile banking adoption.
- Leveraging fintech innovations to offer new, inclusive financial products.



4. Capacity Building & Social Impact

- Running financial literacy programmes for SMEs and individuals, particularly in rural areas.
- Collaborating with development partners to create inclusive policies.
- Engaging in CSR activities to promote community development and environmental sustainability.



Outcomes

BRAC Bank's Theory of Change outlines clear, measurable outcomes at different stages of the impact process:

Short-Term Outcomes

- Increased access to finance for SMEs, women entrepreneurs, and underserved communities.
- Greater adoption of digital banking solutions and mobile payments.
- Higher awareness and knowledge of sustainable finance practices, including ESG considerations.

Medium-Term Outcomes

- Strengthened and more resilient SME sector contributing to overall economic growth.
- Enhanced environmental and social risk management in banking operations.
- Improved financial resilience and economic participation for underserved populations.

Long-Term Impact

- A more inclusive and sustainable financial ecosystem that supports all segments of society.
- Increased economic empowerment and job creation through SME growth.
- A banking sector that aligns with global sustainability standards and financial inclusion goals, making Bangladesh's financial sector globally competitive.



BRAC Bank's Theory of Change represents a holistic approach to building a sustainable and inclusive financial system in Bangladesh. By addressing key challenges, deploying strategic resources, and executing impactful activities, the bank aims to drive long-term positive outcomes for SMEs, underserved communities, and the environment. This approach positions BRAC Bank as a leader in the sustainable banking space, making a significant contribution to the nation's development and aligning with global sustainability goals.




















MATERIAL TOPIC AND IMPACT REPORTING

At BRAC Bank, we are committed to transparency, accountability, and continuous improvement in our sustainability efforts. As part of this commitment, we have conducted a thorough materiality assessment to identify and prioritise the most significant environmental, social, and economic issues that affect our stakeholders and operations. This assessment helps us ensure that our sustainability initiatives align with both our business objectives and the needs of the communities we serve.

Through this process, we have identified key material topics that are central to our long-term strategy, from economic development and corporate governance to green finance and staff well-being. These topics serve as the foundation for our impact reporting, allowing us to track and communicate the positive contributions we are making toward achieving our sustainability goals.

Our impact reporting highlights the tangible outcomes of our initiatives, measuring how our actions in key material areas contribute to the broader societal, environmental, and economic goals, including the United Nations Sustainable Development Goals (SDGs). By providing clear, data-driven insights, we aim to demonstrate how BRAC Bank is driving sustainable growth and creating lasting value for all stakeholders.

Area	Material Topic	Definition	Involvement with Topic Related Negative Impacts Occurs Mainly Through Our	SDG Tagging
Our Commitment to Prosperity	Economic development	Contributing to economic development by improving the economic well-being and quality of life for individuals and communities through fostering sustainable growth, job creation, and poverty reduction.	Business Relationship	  
	Corporate governance	Upholding corporate governance by ensuring accountability, fairness, and transparency in decision-making processes and business operations to promote ethical practices and stakeholder trust.	Activities	
	Socially responsible financing	Promoting socially responsible financing by offering financial products and services that prioritise social, environmental, and ethical considerations while ensuring financial returns for all stakeholders.	Business Relationship	         
	Technology and innovation	Driving technology and innovation by leveraging new technologies and innovative solutions to enhance business operations, foster economic growth, and address social and environmental challenges.	Activities	

Area	Material Topic	Definition	Involvement with Topic Related Negative Impacts Occurs Mainly Through Our	SDG Tagging
	Data privacy and information security	Safeguarding data privacy and information security by protecting sensitive customer information through robust security measures and compliance with data protection laws to maintain trust and confidentiality.	Activities	 
	Prudent risk management	Practicing prudent risk management by identifying, assessing, and mitigating financial, operational, environmental, and social risks to ensure the long-term stability and sustainability of the organization.	Business Relationship	
Our Commitment to The Planet	Green finance through corporate business	Supporting green finance through environment friendly business by providing financial products and services that fund environmentally sustainable projects, such as renewable energy and clean technology.	Business Relationship	    
	Corporate Social Responsibility	Engaging through CSR by supporting initiatives that promote environmental conservation, resource sustainability, and community-based environmental projects, contributing positively to the broader ecosystem and society.	Activities	    
Our Commitment to Our People	Ethical values and working environment	Promoting ethical values and a positive working environment by fostering integrity, respect, fairness, and equality in the workplace while supporting a culture of inclusion and employee well-being.	Activities	 
	Fair recruiter and employer	Ensuring fair recruitment and employer practices by providing equal opportunities, merit-based hiring, and creating a supportive and inclusive environment for all employees.	Activities	 
	Staff development	Supporting staff development by offering opportunities for employees to enhance their skills, advance in their careers, and improve their job satisfaction, ensuring continued professional growth and empowerment.	Activities	 





Our Commitment
to Prosperity

ECONOMIC DEVELOPMENT: BRAC Bank's Path to a Resilient and Inclusive Future

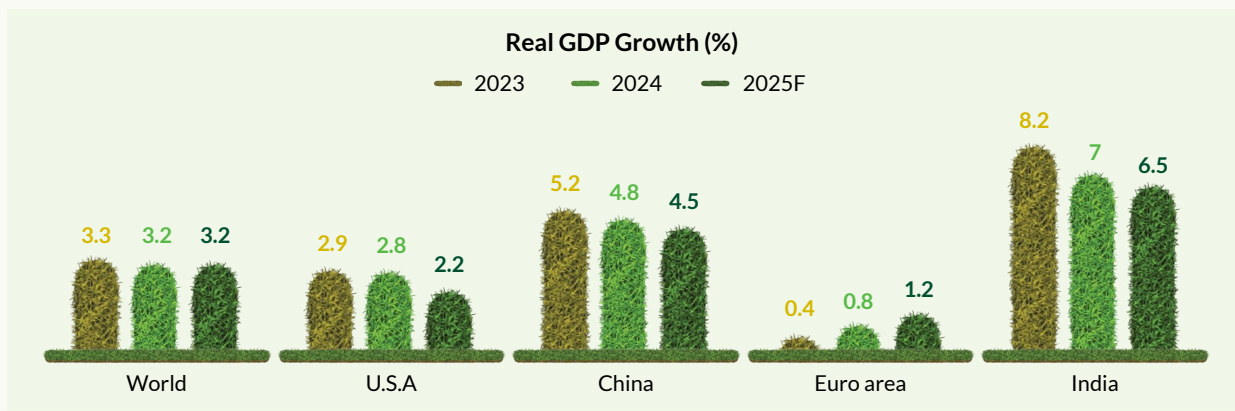
Md. Shaheen Iqbal, CFA

Deputy Managing Director and Head of Treasury & Financial Institutions

The global economy showed remarkable resilience in 2024, avoiding a global recession despite significant supply chain disruptions due to geopolitical conflicts and widespread monetary tightening to curb inflationary pressures around the world. While major economies like the U.S. and China have shown strong resilience, many developing nations struggled with rising debt and economic stagnation, resulting in an uneven impact on growth and inflation across the world.

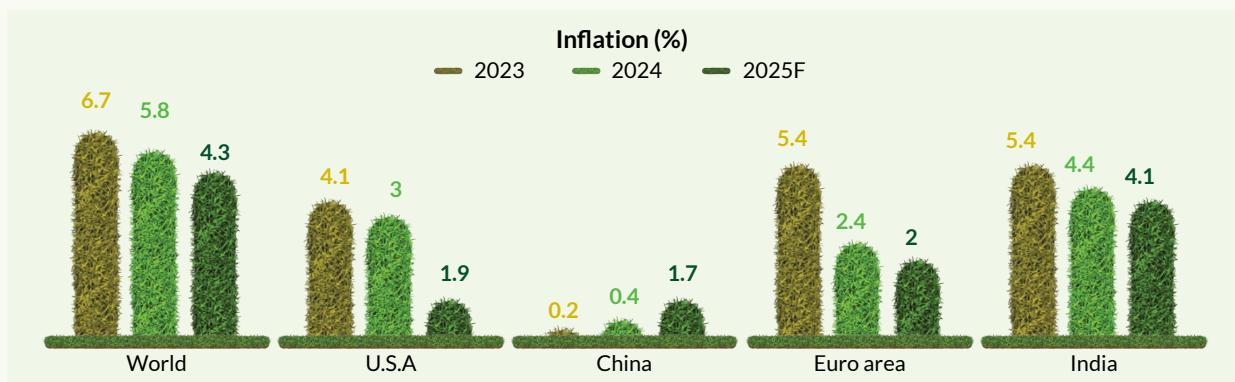


IMF GDP Growth Forecast:

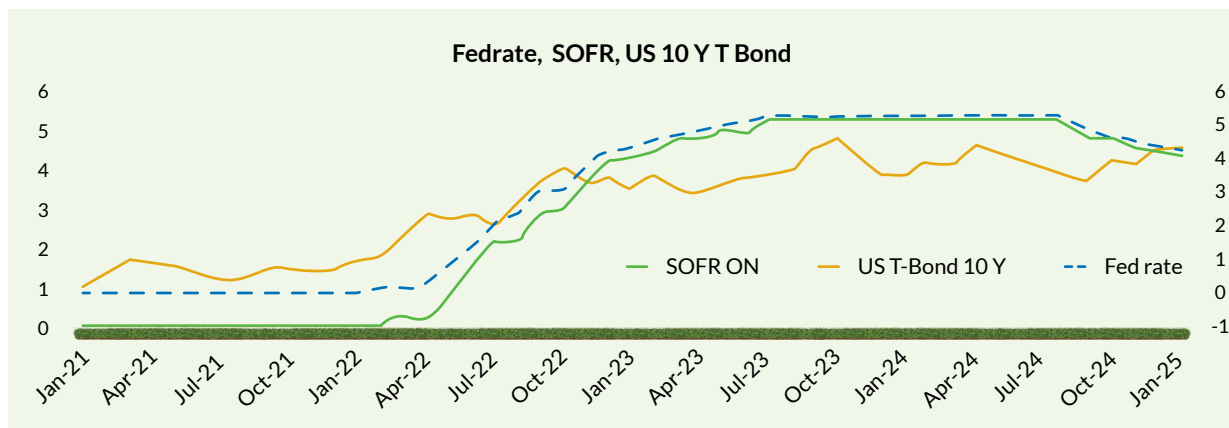


Global economy estimates have been marginally revised down from 3.3% to 3.2% for 2025, remaining at the same level as 2024, which is below the historical average of 3.8%, according to the IMF World Economic Outlook (October 2024 report). After taking office in 2025, Donald Trump declared his intention to raise tariffs, sparking fears of global trade disruptions and potential setbacks to global growth.

IMF GDP Growth Forecast:

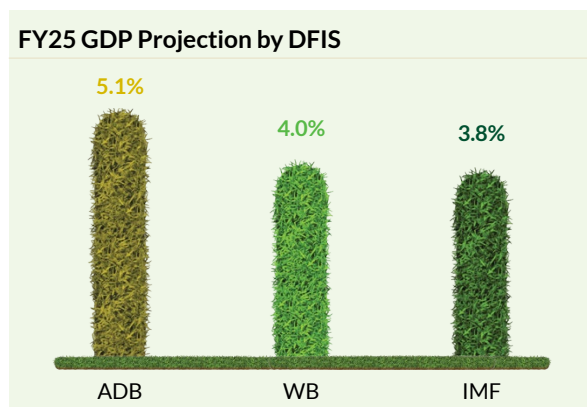


Inflation has eased worldwide, dropping sharply from 6.7% in 2023 to 5.8% in 2024, and is forecasted to drop to 4.3% in 2025, according to the IMF World Economic Outlook (October 2024 report). This reflects that the global fight against inflation is largely over, although some countries are still experiencing upward price pressures.

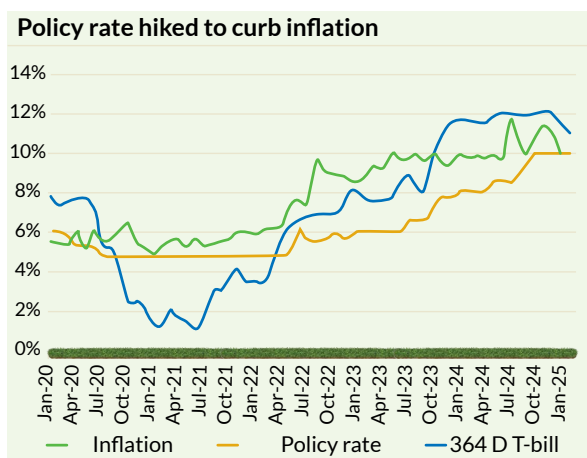


The post-pandemic recovery has been quite turbulent, with central banks maintaining cautious monetary policies to balance growth and inflation, and global trade facing headwinds from protectionist measures. Amidst all these challenges, many regions are experiencing an uneven post-pandemic recovery. While some economies show robust growth, others continue to battle the lingering effects of disrupted supply chains and higher energy costs. Persistent inflation has compelled central banks to adjust monetary policies. However, alongside these adjustments, there's growing recognition that addressing environmental risks can help stabilize long-term economic performance. Sustainable financing has emerged as one of the critical drivers of long-term economic development. By integrating environmental, social, and governance (ESG) principles into investment decisions, institutions can thrive through responsible economic activities that contribute to the long-term growth of both the institution and the economy. Green bonds, ESG-focused funds, and impact investing are increasing rapidly, as private and institutional investors shift their priorities, influencing capital allocation across industries. The adoption of sustainable finance enhances resilience against climate risks by funding large-scale renewable energy projects, with countries like Germany and Denmark leading in wind and solar energy investments, reducing carbon emissions while ensuring energy security. Likewise, the impact of sustainable finance in tackling food scarcity is crucial. In the drought-prone regions of Africa, climate adaptation funds are helping farmers implement water-efficient irrigation methods. Despite these advances, challenges still prevail, as greenwashing concerns are rising, and regulatory alignment across financial markets remains challenging. However, as global investors prioritise sustainability, the global economy is moving toward a more resilient and environmentally responsible future.

In no time, we could be saying the same for the Bangladesh economy as well. But the country is currently facing a volatile phase, having witnessed a notable political shift due to a widespread mass uprising in the second half of 2024. A new interim government, headed by Dr. Muhammad Yunus as the Chief Advisor and supported by a team of independent technocrats as advisors, was sworn in on August 8. Since then, there have been notable reform drives in most sectors of the economy. Both GDP growth and controlling inflation are the key targets of the government for the time being.



Economic growth decelerated to 4.2% in FY24 (June-July) from 5.8% in FY23, for the second consecutive year, driven by weak consumption and export growth. All the major DFIs have revised down their growth projections for FY25 due to expected output losses from the July movement, labour unrest, floods, and tighter policies. However, growth is expected to rebound to 5-6% in FY26 as there is better visibility on election dates and as current policy tightening is eased.



Inflation peaked in July and has gradually started to moderate from December after a significant 1.5% policy rate hike to 10.0% since August (a total of 2.3% in policy hikes in 2024). Central banks expect inflation to come down to the 7-8% level by the end of FY25.

Turning to the advent of sustainable finance in Bangladesh, the country has set its sustainability targets, aligning with global commitments like the Sustainable Development Goals (SDGs) and the Paris Agreement of 2015. However, the country's journey toward sustainable finance began with the introduction of Green Banking Guidelines by the central bank in 2011, followed by the launch of the 'Sustainable Finance Policy' in 2020. With economic expansion, sustainability has become a critical concern, leading to initiatives in several key areas such as green manufacturing, renewable energy and climate action, sustainable agriculture, etc. One significant example of sustainable finance in Bangladesh is the 'Green Climate Fund,' which has supported a few climate projects

in the country. Another notable initiative is the 'Coastal Embankment Improvement Project,' which aims to protect vulnerable coastal areas from cyclones and rising sea levels. However, achieving full integration of sustainable finance into the economy requires stronger regulatory enforcement, greater private sector involvement, and improved financial literacy.

Following the guidelines of Bangladesh Bank, BRAC Bank has undertaken several sustainable finance projects, including Green Agriculture, Green CMSME, Blue Financing, Circular Economy and Eco-projects financing, and Renewable Energy, among others. Additionally, the major global banks and DFIs partnering with BRAC Bank also place a strong emphasis on sustainable financing. Moreover, the Board and Management of BRAC Bank are strongly committed to sustainability and are well-aligned with the DFIs' goals. Thus, BRAC Bank has become more focused on sustainable financing, as it will help harness the untapped opportunities of lower-cost funding for sustainable finance. By integrating sustainable finance into its core operations, BRAC Bank is not only ensuring regulatory compliance but also contributing to a greener and more inclusive financial system in Bangladesh, as evidenced by its fourth consecutive entry in the Sustainability Rating of Bangladesh Bank. In the future, BRAC Bank aims to be placed in global sustainable ratings by showcasing its robust national performance.

As we clearly see, Bangladesh's sustainable finance journey is still evolving, but with strategic policies and global partnerships, it can achieve long-term economic and environmental resilience, leading to a greener future.

CORPORATE GOVERNANCE:

Commitment to Ethical Banking, Governance, and Sustainability

M Masud Rana FCA
Deputy Managing Director & CFO

BRAC Bank was established with a mission to promote financial inclusion and responsible banking in Bangladesh, focusing on cottage, micro, small, and medium enterprises (CMSMEs) and the unbanked population. From the outset, the bank has seamlessly integrated commercial success with social and environmental responsibility, ensuring sustainable growth. Today, BRAC Bank remains at the forefront of the financial sector, excelling in corporate governance, sustainability, ethical banking, and compliance, while setting new industry standards



Governance Framework and Ethical Leadership

At BRAC Bank, corporate governance goes beyond regulatory compliance—it is about fostering a culture of responsibility, integrity, and ethical banking. Our governance framework establishes clear decision-making structures, promotes accountability, and upholds sustainable business practices in line with global standards

Our governance structure promotes inclusive participation at all levels of the organization. Decision-making follows a strong framework involving the Board of Directors, Board sub-committees, and Senior Management, ensuring strategic oversight and effective risk management. Policies and sustainability strategies are carefully developed through expert discussions, reviewed by governance committees, and ultimately approved by the Board.

Key elements of BRAC Bank’s corporate governance approach include:



A transparent organizational structure that defines clear roles and responsibilities at all levels.



A Board of Directors with a majority of independents ensuring strategic oversight and effective risk management.



A strong commitment to gender diversity, with growing representation of women in leadership and key decision-making roles

Unlike traditional banking models, BRAC Bank adopts a lean and agile governance approach, enabling swift decision-making, seamless communication, and a strong compliance culture. This structure allows us to quickly adapt to market changes while upholding the highest standards of corporate governance.

Our Code of Conduct is the ethical cornerstone of our operations, guiding employees to make responsible and fair decisions. Beyond complying with local regulatory

standards, BRAC Bank sets a higher benchmark by aligning its governance policies with global best practices

Sustainable Finance and Impact Banking

As a values-driven banking institution, BRAC Bank is dedicated to making a lasting positive impact through its operations. Our commitment to responsible banking is rooted in the Triple Bottom Line philosophy—People, Planet, and Prosperity—ensuring that our financial

activities foster economic growth, environmental sustainability, and social well-being

Financial Inclusion and SME Growth

One of the primary ways we drive impact is through our strong focus on CMSME financing. With over BDT 260,470 million of our loan portfolio dedicated to CMSMEs, we empower grassroots entrepreneurs to grow their businesses, create jobs, and strengthen Bangladesh's formal economy. Our responsible lending practices prioritise sustainable and inclusive financial growth, avoiding aggressive consumer credit

In 2024, we disbursed BDT 665,596 million in Sustainable Finance and BDT 56,917 million in Green Finance, surpassing both regulatory requirements and industry standards. Our agriculture-focused financing plays a vital role in our impact strategy, supporting rural enterprises in enhancing food security, adopting resource-efficient farming practices, and building resilience against climate risks

We recognise that banking activities have inherent environmental and social impacts, but our commitment is to align every action with our values to maximize positive contributions. Through our Sustainability Risk Management Framework, we continuously evaluate the

long-term effects of our operations, ensuring that the businesses we finance adhere to sustainability principles.

Commitment To Sustainability and The Environment

Sustainability is a key pillar of BRAC Bank's long-term strategy. We understand the crucial role financial institutions play in fostering a greener economy, and we have implemented tangible measures to align our operations with global sustainability standards.

BRAC Bank has taken a pioneering role in sustainability as the first signatory of the Partnership for Carbon Accounting Financials (PCAF) in Bangladesh and the first to publicly disclose its GHG emissions report on the PCAF website. In 2023, we expanded our carbon accounting framework to include not only internal emissions (Scopes 1, 2, and 3) but also financed emissions, covering business loans, home loans, and car loans. By calculating our total GHG emissions using PCAF's methodology, we are fostering greater transparency and accountability, fully recognizing the environmental impact of both our operations and lending activities. This year, we successfully calculated the total GHG emissions of the bank, with 100% of them attributed to financed emissions

To reduce our environmental footprint, we have adopted eco-friendly banking practices, including:



Key elements of BRAC Bank's corporate governance approach include:



Energy-efficient office spaces and digital workflows to minimize paper usage.



Promoting electronic transactions, with over 61 million digital transactions totalling over BDT 4 trillion completed through our mobile apps, Astha and CorpNet.



Investing in climate adaptation initiatives, with a dedicated CSR fund supporting over 8,800 marginalized families in rural Bangladesh.

In addition to our banking operations, BRAC Bank actively supports community-driven sustainability efforts. In 2024, we contributed BDT 239 million to CSR programmes focused on education, healthcare, disaster relief, and climate adaptation.

Strategic Capital Market Engagement

To maintain transparency, the bank follows International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) in its financial disclosures. We publish quarterly and annual financial reports, including audited statements, earnings updates, and investor presentations, keeping stakeholders informed about the bank's performance.

- Investor engagement is a key focus at BRAC Bank. We ensure direct communication with shareholders, analysts, and potential investors through:
- Investor briefings and earnings calls to discuss financial performance and strategic developments.
- The publication of a financial calendar, providing timely updates on earnings releases, annual general meetings (AGMs), and other important events.
- A dedicated investor relations (IR) desk, offering stakeholders access to financial reports, disclosures, and direct communication with investor relations specialists.

Our Disclosure & Compliance Framework ensures that all material developments affecting the bank's share price and financial standing are promptly communicated to stakeholders

Risk Management and Regulatory Compliance

BRAC Bank is dedicated to setting new benchmarks for fair and transparent banking in Bangladesh. Our compliance framework is crafted to not only meet but exceed

regulatory requirements, ensuring strong governance, effective risk management, and ethical banking practices.

To uphold integrity in our financial operations, we implement a comprehensive client selection and risk assessment framework, which includes:

- Strict Anti-Money Laundering (AML) and Counter-Terrorism Financing (CTF) measures, ensuring full compliance with Bangladesh Bank, BSEC, and global regulatory standards.
- Customer screening protocols that check potential clients against global sanction lists, blacklists, and watch lists to prevent financial crimes.
- Thorough ESG due diligence to evaluate the environmental and social impact of financing decisions.

Internally, BRAC Bank upholds a zero-tolerance policy toward fraud, corruption, and unethical behaviour. Employees are required to comply with our Code of Conduct, which promotes integrity, accountability, and transparency in all banking activities.

To stay ahead of evolving regulatory requirements, BRAC Bank has a Compliance Committee that regularly reviews policies, monitors risks, and ensures adherence to both local and international best practices.

Through robust corporate governance, ethical banking, sustainability-driven initiatives, and investor transparency, BRAC Bank continues to lead the way in responsible banking in Bangladesh. By integrating sustainability, compliance, and financial inclusion into our core operations, we ensure that economic growth is aligned with social and environmental well-being.

SOCIALLY RESPONSIBLE FINANCING:

BRAC Bank's Commitment to Empowering Growth for SMEs

Syed Abdul Momen

Additional Managing Director and Head of SME

Background

The Cottage, Micro, Small, and Medium Enterprises (CMSME) sector is pivotal in Bangladesh's economy, driving growth, employment, and social advancement. Accounting for nearly 99% of all enterprises, CMSMEs generate approximately 25% of the national GDP and provide employment to 40% of the workforce, directly impacting the livelihoods of around 31 million individuals.

Despite their significant contributions, SMEs in Bangladesh struggle to establish a foundation for sustained growth and expansion due to various challenges and limited support.

Around 40% of SMEs in Bangladesh lack formal financing, forcing them to operate with insufficient capital or rely on informal financial sources, often with high-interest rates. Additionally, they face challenges such as complex loan processes, poor infrastructure, skilled labour shortages, technological gaps, weak financial management, restricted market access, and inadequate research for diversification. Despite these difficulties, SMEs create more than 90% of jobs in the private sector and contribute to 40% of total exports in Bangladesh.

BRAC Bank SME Banking Overview

BRAC Bank PLC, founded by Sir Abed in 2001, has established itself as the leading SME-focused bank in Bangladesh, playing a crucial role in fostering economic growth and financial inclusion. With a vision to serve the "missing middle," BRAC Bank introduced small-ticket loans to bring grassroots entrepreneurs under formal banking services. It has expanded significantly, maintaining a 100% geographical presence across Bangladesh through over 3,000 employees directly serving SME customers.

Currently, 49% of the bank's total asset portfolio consists of SME loans, with 96% directed towards Cottage, Micro, and Small Enterprises. In 2024 alone, 226,254 SME entrepreneurs were served with a total loan portfolio of BDT 305 billion (USD 2.5 billion). Despite its vast customer base and portfolio size, the bank has maintained the lowest

non-performing loan (NPL) ratio in the market at just 2.4%, achieved through robust monitoring and strong client relationships. Moreover, BRAC Bank has strong focus on SME deposit with 14289 crore deposit portfolio, which is 4% of total SME deposit in the market. We have 10 SME deposit products which is the most diversified in the industry and facilitates the SME business to become self sufficient

More than 85% of SME loans are collateral-free, ensuring broader access to finance for underserved businesses. The bank has revolutionized SME banking through digital innovations such as eLAP (Electronic Loan Application Process), enabling faster, paperless loan approvals, and Shafollo, the country's first fully digital SME loan product, which eliminates hardcopy documentation. The SME business not only focuses on loans but also provides insurance facilities to its customers through the newly launched Bancassurance. The bank aims to transition from just a lender to a banker, concentrating on being the preferred transaction bank for its clients.

Beyond traditional financing, BRAC Bank is committed to financial inclusion through gender-based and adaptation financing, ensuring greater support for women entrepreneurs and climate-resilient businesses. The bank offers concessional funds and green finance, making SMEs more feasible, sustainable, and bankable. With its continuous commitment to innovation and inclusion,



BRAC Bank remains at the forefront of SME banking in Bangladesh, driving entrepreneurship, job creation, and sustainable economic development.

Socially Responsible Financing:

BRAC Bank's goal is to foster a vibrant and sustainable SME ecosystem that contributes to the nation's overall prosperity. Through responsible financing, the bank is dedicated to contributing to significant SDG goals. The TARA programme, with a portfolio of BDT 117.97 billion, plays a crucial role in fostering financial independence for women entrepreneurs, small businesses, and low-income

households. By championing gender-focused financial solutions, TARA actively supports SDG 5 (Gender Equality), SDG 1 (No Poverty), and SDG 10 (Reduced Inequality). With its robust portfolio of small and medium enterprises, the bank advances financial inclusion and job creation, aligning with SDG 8 (Decent Work and Economic Growth). Concessional financing for climate-smart agriculture and sustainable supply chains strengthens the resilience of CMSMEs and empowers them to minimize their carbon footprint, particularly aligning with SDG 13 (Climate Action). Additionally, SME banking has pioneered water supply and sanitation financing to uplift the livelihoods of rural people.



Awards and Recognition: BRAC Bank has garnered numerous prestigious accolades for its outstanding contributions to women empowerment and sustainable development. Recognised as the SDG Brand Champion in Women Empowerment at the Sustainability Brand Forum, the bank has also won the Product Innovation of the Year 2023 – Platinum Award at the SME Finance Forum. It has been named the Best SME Bank, Best Bank for Digital Transformation, and Best Bank for Project Management at the Commonwealth Business

Excellence Awards 2023. Additionally, BRAC Bank received the Excellence in Commercial Cards – Debit at the VISA Leadership Conclave Bangladesh 2024 and the Global Fintech Innovation Award 2023 for its Supply Chain Finance Solution for SMEs. Recently, the bank received the Qorus Reinvention Award for its transformative work in CMSME and women empowerment projects with The Gates Foundation, further solidifying its leadership in the banking and finance sector.



SMEs in Bangladesh have experienced nearly 30% growth in recent years, and BRAC Bank aims to become the country's largest private commercial bank, leveraging its two decades of experience, expertise, and advanced technology to further empower and support the sector. The bank upholds its ethical responsibility to support community organizations and contribute positively to society, aligning its sustainable business objectives with these values. With a focus on socially responsible funding and fostering deep connections to the local community, BRAC Bank is committed to driving sustainable economic development.

IMPACT STORY:

Creating Access to Market and Access to Finance for CMSMEs and Marginalized Women Through the Gates Foundation project

BRAC Bank, in partnership with The Gates Foundation, has positively impacted approximately 100,000 lives in Bangladesh through various initiatives focused on empowering women entrepreneurs and enhancing financial inclusion.



Key initiatives include the onboarding of 19 women SME-led agent banking outlets, which have brought financial services closer to underserved communities and facilitated formal banking access for around 10,000 women, improving their financial literacy.

The provision of ERP solutions for over 2,200 women SMEs has enabled efficient business management and informed decision-making through streamlined bookkeeping and inventory management. Partnerships with s-Manager and Hishabee have supported hundreds of businesses in improving management and growth.

Women-friendly deposit products have reached over 4,000 rural women, empowering them to save and invest in their futures, contributing to financial stability and independence. A digital lending platform has facilitated access to credit for over 5,200 small businesses, bridging the gap between rural entrepreneurs and financial institutions.

The digital banking footprint has expanded with over 27,000 women users, ensuring greater financial inclusion and empowering women to take control of their finances. Training for agents on the Astha application has equipped over 1,300 agents with skills to support digital banking transformation and enhance customer experiences.

Entrepreneur skill development training has helped develop over 2,100 women SMEs, creating a supportive community of women entrepreneurs. In 2024, six digital workshops trained over 150 women entrepreneurs in Digital Photography, Digital Marketing, and Networking Opportunities, with ongoing monitoring and guidance to ensure progress.

Digital financial inclusion is rising, with 40% of TARA account holders actively using BRAC Bank's mobile banking app. Since the pandemic, BRAC Bank has provided online and offline training to over 5,000 women entrepreneurs, covering essential business management and financial topics. A large-scale branch-banking training programme in 2024 benefited over 1,870 women entrepreneurs across 189 branches.

BRAC Bank's Uddokta 101, launched in 2021, is Bangladesh's first Entrepreneurship Accelerator Programme, offering structured business and financial training, certifications, industry networking, mentorship, and hands-on market experience through a two-day exhibition. The annual TARA Uddokta Fair provides a platform for 80-90 women entrepreneurs to showcase and sell their products, celebrating Bangladesh's rich cultural heritage. Quarterly product showcases help women-led businesses gain visibility and reach larger customer bases.

BRAC Bank remains committed to supporting women entrepreneurs through its TARA segment, fostering self-reliance, and driving sustainable economic growth in Bangladesh through digital interventions, capacity building, and market access initiatives for CMSMEs.



IMPACT STORY:

Agriculture Digital Financial Inclusion 2024

BRAC Bank, aligning with its vision of financial inclusion, has revolutionized traditional banking by implementing a digital lending platform aimed at marginal farmers and low-income professionals. In 2024, the platform scaled up to support 3,335 families directly and approximately 16,600

beneficiaries indirectly, with onboarding completed in just 20 minutes. By targeting climate-prone areas and partnering with strategic allies, BRAC Bank has facilitated climate-smart agriculture, special crop segments, livestock, fisheries, and other agricultural processing sectors. Partnerships with WeGro, BRAC Dairy, iFarmers, Nobo Jatra, Heifer, Syngenta, DAE, and M4C have enhanced financial inclusion, agricultural productivity, and rural economic development.



Key Facts and Figures as Impacts: Throughout our innovative digital lending platform (Shubidha), we have empowered 3,335 farmers, disbursing an impressive BDT 263 million in loans. Spanning 26 districts, our initiative has a strong presence in the Northern-Western regions. We prioritise agricultural finance, dairy, livestock, climate-resilient farming practices, and enhanced market access, driving sustainable growth and resilience for farmers across the nation.

Sector-Wise Contributions: We actively collaborate with industry leaders to drive sustainable agricultural finance, dairy and livestock development, agri-input supply, and climate-resilient farming. Our partnership with

WeGro and iFarmer provides credit facilities and digital financing solutions, enabling farmers to invest in modern farming techniques and increase productivity. Through collaborations with BRAC Dairy, Heifer, and Nobo Jatra, we assist dairy farmers with micro-lending to improve supply chains, enhance milk production, and manage livestock efficiently. Together with Syngenta and M4C, we ensure access to high-quality seeds, fertilizers, and crop protection solutions that boost agricultural output. Our focus on sustainable and climate-resilient farming, in collaboration with Nobo Jatra, empowers smallholder farmers with climate-smart practices, promoting sustainability and food security.



■ Beef Fattening 17%	■ Dairy 14%	■ Garlic 1%	■ Maize 23%	■ Onion 11%
■ Potato 21%	■ Poverty Alleviation 2%	■ Rice 5%	■ Soyabean 4%	■ Turmeric 2%

BRAC Bank is driving economic growth in the agriculture sector by ensuring financial accessibility, improving agricultural productivity, and expanding market opportunities for farmers. With a firm commitment to funding and minimizing value chain gaps, BRAC Bank aims to modernize farming practices, optimise supply chain efficiency, and foster long-term sustainability for marginalized communities.

IMPACT STORY:

SME Affordable Home Loan “THIKANA”

BRAC Bank has introduced the SME Affordable Home Loan “THIKANA (ঠিকানা),” tailored specifically for SME owners. This product is designed to make homeownership more accessible and affordable for individuals who reside outside major urban centres. In Bangladesh, many business owners are eager to invest their savings into securing a home for their future. Recognizing this need, BRAC Bank has introduced efficient features within this home loan product to help customers achieve their dream of homeownership.

BRAC Bank offers SME Home Loans tailored for business owners, landlords, self-employed personnel, service holders, and even BRAC Bank permanent employees. The loans are structured as term loans, with amounts up to BDT 5 million. Within just six months of launching, BRAC Bank has successfully disbursed BDT 540 million to 290 business owners, demonstrating the product’s immediate success and impact on the community.



needs. Before launching, BRAC Bank’s SME Banking Division conducted extensive research—surveying 2,150 SME clients and holding focused discussions in key business hubs like Savar, Narayanganj, Chattogram, and Karwanbazar. This deep understanding led to the creation of an inclusive and cost-effective financing solution that empowers business owners, particularly those outside major cities. The loan is tailored for first-time buyers, ensuring affordability and accessibility while supporting both personal and business growth. With flexible usage options—including home purchases, renovations, and loan consolidation—entrepreneurs can optimise their investments. Additionally, the streamlined loan sanctioning process reduces delays, providing swift financial support when it matters most.

According to the portfolio of the Thikana Home Loan, with 290 active accounts and BDT 540 million disbursed, this unique product reflects strong demand across both urban and rural regions. Urban hubs like Gazipur, Chattogram, and DEPZ have the highest number of SMEs borrowing home loans, with a total of BDT 266.25 million in loan disbursement, showcasing high demand among business owners in industrial and commercial zones. Rural and semi-urban regions such as Sylhet, Rangpur, and Bogura show steady participation, collectively holding over BDT 120 million in loans. Smaller regions also contribute to portfolio diversification, indicating room for further market penetration. With 97% of the disbursed amount still outstanding, the portfolio shows strong loan utilization.

Though this initiative is still in the early stages, it can be said that the Thikana Home Loan is not just financing homes—it is strengthening financial stability, enhancing quality of life, and fostering economic growth in Bangladesh.



The Thikana Home Loan is transforming homeownership for SME entrepreneurs by addressing their unique financial

TECHNOLOGY AND INNOVATION: Innovating for a Greener Future through BRAC Bank's Digital Transformation and Sustainability Efforts

Md Sabbir Hossain

Deputy Managing Director and COO

As the world accelerates its adoption of digital technologies, the banking sector is evolving rapidly to meet the needs of a changing environment. BRAC Bank PLC, a leader in promoting financial inclusion and sustainable banking practices, has recognised the immense potential of technology to drive not only business growth but also environmental responsibility. The bank's ongoing digital transformation initiatives underscore its commitment to both operational efficiency and sustainable development, shaping a future where technology and sustainability go hand in hand.

At the core of BRAC Bank's sustainability strategy lies a commitment to embracing innovation and digital transformation. The bank's vision of integrating technology into its operations aims to increase efficiency, ultimately reduce its carbon footprint, enhance the customer experience, and promote a greener future. This vision aligns with the broader global movement toward sustainability, where the role of financial institutions extends beyond profitability to include environmental and social impact.

Digital Transformation for Sustainable Operations

BRAC Bank's digital transformation efforts are vast and multifaceted, impacting various areas of its operations, including customer experience, documentation processes, and energy consumption.

A prime example is the implementation of digital loan disbursement systems, which have enabled BRAC Bank to issue nearly 25,000 loans amounting to almost BDT 3 billion, all without requiring physical documentation. This paperless approach has enhanced operational efficiency while minimizing waste, reinforcing the bank's sustainability objectives.

Similarly, Astha and CorpNet, the bank's mobile and internet banking platforms, empowered customers to complete transactions worth over BDT 4 trillion in the past year. These digital solutions have reduced the need for customers to visit branches, directly cutting down on paper usage and contributing to a decrease in branch-related carbon emissions.

Additionally, the implementation of the electronic Know Your Customer (eKYC) system allows customers to open accounts digitally, eliminating the need for physical paperwork. This initiative has already facilitated the opening of over 250,000 accounts through the bank's mobile app and online platforms, significantly reducing paper usage and foot traffic to branches.



The bank's Document Management System (DMS) also plays a pivotal role in reducing paper consumption across all internal operations. By ensuring that all documents are stored electronically, the DMS eliminates the need for paper-based records and streamlines workflows, improving operational efficiency while supporting the bank's sustainability goals.

Energy Efficiency in IT Infrastructure

Another significant facet of BRAC Bank's digital transformation is its focus on energy-efficient IT infrastructure. The bank has invested in energy-efficient data centres and disaster recovery sites, designed to minimize power consumption through the use of environmentally friendly equipment and optimised temperature management systems. Furthermore, the adoption of virtualization and blade technology has reduced the need for physical hardware, leading to energy savings while maintaining high computing performance.

BRAC Bank's commitment to energy efficiency extends to its office spaces as well. All IT facilities are equipped with LED lighting, and the bank has implemented energy-saving measures across its technology systems, including the use of laptops with low energy consumption. The bank also encourages employees to adopt energy-conscious behaviours, such as setting devices to power-saving modes when inactive.

Sustainable Practices in Daily Operations

The transition towards a paperless and environmentally responsible banking system is further supported by the

implementation of centralized printing services at the bank's headquarters, significantly reducing paper and ink usage. The adoption of email communications for internal workflows and the use of an Enterprise Resource Planning (ERP) system further cut down on paper usage, eliminating unnecessary printing and supporting the bank's overall sustainability agenda.

In line with its commitment to reducing plastic waste, BRAC Bank has also introduced green PINs, e-receipts for POS terminals, and discontinued physical ATM receipts. These initiatives, which have reduced paper consumption by 70%, are part of the bank's larger strategy to promote cashless and paperless transactions, reducing both the environmental impact and operational costs.

Innovative Waste Management

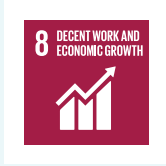
BRAC Bank adopts a responsible approach to managing IT waste, ensuring that outdated and unused hardware is recycled or repurposed. Devices that cannot be reused are securely destroyed, and the remaining materials are processed by specialized vendors who recycle electronic components. This sustainable approach to IT waste management ensures that BRAC Bank minimizes its environmental footprint while promoting the reuse of resources.

Through these digital transformation initiatives, BRAC Bank is leading the charge in showing that financial institutions can integrate technology in ways that not only drive profitability but also advance environmental sustainability. As the bank continues to innovate, it remains committed to creating a greener future through sustainable banking practices.



IMPACT STORY:

Digital Banking



BRAC Bank PLC's digital transformation initiatives have made significant strides in reducing its environmental footprint while improving operational efficiency. Some key achievements include:

Remote Banking

Customers can now bank seamlessly from the comfort of their homes or offices using digital platforms such as Astha, CorpNet 24/7, and solutions like eKYC. This transition to remote banking has significantly reduced the need for travel, thereby lowering transportation-related emissions and fossil fuel consumption.

Reduction in Paper Usage

The eKYC system has enabled over 250,000 digital account openings, eliminated paperwork and reducing branch visits. Additionally, over 50 lakh paper-based account statements have been replaced with digital versions, further decreasing paper consumption.

Paperless Loan Disbursement

Digital platforms have enabled the disbursement of 25,000 loans totalling nearly BDT 3 billion without the need for physical documentation, significantly reducing paper waste.

Decreased Branch Footfall

The Super App Astha and CorpNet, BRAC Bank's digital banking platforms, facilitated transactions totalling approximately BDT 4 trillion. The widespread adoption of these digital channels has significantly reduced branch footfall by minimizing the need for physical visits, thereby cutting down on transportation-related fossil fuel use and in-branch energy consumption.

Energy Efficiency Gains

Investments in energy-efficient data centres, virtualization technologies, and LED lighting have resulted in significant

reductions in energy consumption, contributing to a smaller carbon footprint.

Waste Reduction

The introduction of green PINs, e-receipts, and the elimination of physical ATM receipts have collectively reduced paper usage by 70%, minimizing waste and enhancing the bank's sustainability efforts.

These initiatives not only reflect BRAC Bank's dedication to sustainability but also demonstrate how technology can streamline operations and reduce environmental impact. By prioritizing eco-friendly practices across its operations, BRAC Bank continues to lead the way in green banking.





DATA PRIVACY AND INFORMATION SECURITY:

A Pillar of Sustainable Banking

Ahmed Rashid Joy

Deputy Managing Director and Chief Risk Officer

In today's digital era, a bank's sustainability extends beyond financial strength and environmental responsibility—it hinges on robust data privacy and security. Safeguarding sensitive information and ensuring secure transactions are critical to maintaining customer trust, preventing financial losses from cyber threats, and complying with regulatory frameworks. BRAC Bank has built a resilient ICT security infrastructure aligned with Bangladesh Bank guidelines and international standards, reinforcing the confidentiality, integrity, and availability of financial data. Strong cybersecurity measures not only mitigate risks and operational disruptions but also foster long-term resilience in an evolving financial landscape. By prioritizing advanced security frameworks, proactive risk management, and regulatory compliance, BRAC Bank strengthens its position as a responsible financial institution committed to sustainable growth and stakeholder protection.

Standards and Compliance

BRAC Bank adheres to global benchmarks, including ISO, NIST, PCI-DSS, CIS, SWIFT-CSP, and OWASP. Each of these standards plays a critical role in securing banking operations. For instance, ISO (International Organization for Standardization) provides guidelines for information security management, ensuring structured risk mitigation. NIST (National Institute of Standards and Technology) helps banks establish strong cybersecurity frameworks, while PCI-DSS (Payment Card Industry Data Security Standard) ensures the secure processing of card transactions, reducing fraud risks. Compliance with these global standards demonstrates BRAC Bank's commitment to a sustainably secure banking operation.

Proactive Cyber Defence: SOC and Cyber Fusion Centre (CFC)

BRAC Bank is the first in Bangladesh to establish a Cyber Fusion Centre (CFC) and operates a 24x7 Security Operations Centre (SOC). These facilities enable the bank to transition from a reactive approach—where security teams only respond to cyber incidents after they occur—to a proactive defence mechanism that anticipates and mitigates threats before they cause harm.

Security Operations Centre (SOC)

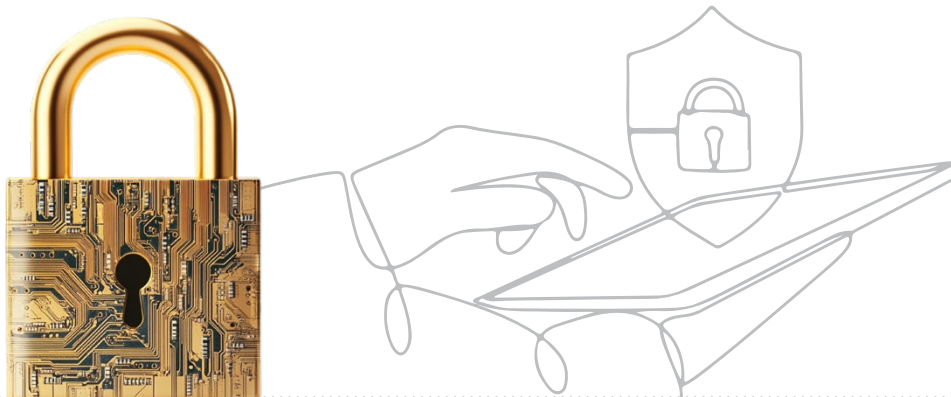
This facility provides continuous monitoring, detection, and response to security threats. By maintaining 24/7 surveillance of the bank's infrastructure, the SOC helps detect potential vulnerabilities early, ensuring uninterrupted banking services and reducing the risk of financial and reputational losses.

Cyber Fusion Centre (CFC)

Unlike traditional security monitoring, CFC integrates threat intelligence, incident response, and security operations into a unified system. This holistic view allows BRAC Bank to anticipate and mitigate cyber threats efficiently, rather than merely reacting to attacks after they occur.

These centres leverage cutting-edge security tools (including followings) to minimize operational disruptions, protect customer assets, and reinforce long-term business continuity. By implementing these advanced security measures, BRAC Bank—key elements of a sustainable financial institution.





SIEM (Security Information and Event Management)

Collects and analyzes security logs from various sources to identify suspicious activities in real-time.



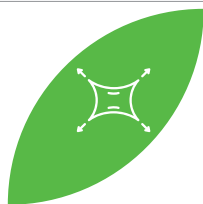
Deception Technology

Creates fake digital assets to mislead attackers, allowing security teams to detect cybercriminals early.



XDR (Extended Detection & Response)

Automates threat detection across multiple security layers, ensuring quick containment of cyber incidents before they escalate.



Email Security Gateway

Filters and blocks phishing emails, preventing employees and customers from falling victim to cyber scams.



Data Loss Prevention (DLP): Ensuring Data Privacy

While not explicitly mentioned, Data Loss Prevention (DLP) plays a crucial role in securing confidential information and preventing unauthorized access. DLP solutions allow the bank to:



Identify and Classify Sensitive Data: By recognizing and categorizing confidential information, the bank ensures that critical data is adequately protected.



Monitor Data Movement: Tracking how data flows within the bank helps prevent accidental or intentional data leaks.



Enforce Security Policies: Preventing unauthorized access, use, or sharing of sensitive information strengthens the bank's ability to maintain customer privacy.

DLP measures reduce the risk of data breaches, enhance customer confidence, and ensure compliance with privacy regulations—all of which contribute to the bank's long-term sustainability.

ICT Policy and Employee Responsibility

A comprehensive ICT policy outlines best practices for all employees, ensuring that data privacy and security are embedded in the bank's daily operations. Employees are trained to follow guidelines on secure technology usage, password management, and fraud prevention. By fostering a culture of security awareness and a well-informed workforce, the bank reduces human-related cyber risks and strengthens its defence against evolving threats.



By embedding cybersecurity into its core operations, BRAC Bank not only protects its assets but also contributes to a stable financial ecosystem. Strong security infrastructure ensures uninterrupted banking services, builds long-term customer trust, and supports sustainable business growth.

PRUDENT RISK MANAGEMENT: A Foundation for Sustainable Growth

Ahmed Rashid Joy

Deputy Managing Director and Chief Risk Officer

Prudent Risk Management: A Foundation for Sustainable Growth

At BRAC Bank, risk management is not merely a compliance function but a strategic enabler of sustainability. Our robust Risk Management Framework integrates governance, risk culture, and advanced analytics to fortify financial resilience while supporting long-term growth. By embedding risk intelligence into our decision-making processes, we ensure sustainable banking practices that create lasting value for stakeholders.

Risk Governance and Strategic Oversight

BRAC Bank's risk management structure is anchored in strong governance. The Board of Directors and the Board's Risk Management Committee (BRMC) provide strategic direction, ensuring a risk-conscious culture at all levels. The Board of Directors' active involvement in risk governance is reflected in its approval of the Risk Appetite Statement (RAS), Recovery Plan, and Risk Management Effectiveness Report. These measures ensure strategic alignment between risk management practices and long-term business sustainability, reinforcing the bank's ability to navigate financial stress while maintaining operational resilience. The Executive Risk Management Committee (ERMC), chaired by the Chief Risk Officer (CRO), plays a pivotal role in risk oversight by integrating risk considerations into business strategy. In alignment with the bank's sustainability vision, we conduct an Annual Risk Conference to enhance risk awareness and engagement across all operational levels. The bank operates with a clearly defined Risk Appetite Statement, ensuring alignment with business objectives and regulatory expectations. Our Internal Capital Adequacy Assessment Process (ICAAP) ensures that capital allocation meets risk exposure, reinforcing long-term financial stability. The Enterprise Risk Associate Forum (ERAF) and Incident Response Forum (IRF) further strengthen our proactive risk identification and crisis management capabilities.

Credit Risk Management: Ensuring a Balanced and Resilient Portfolio

Credit risk is a core focus area for BRAC Bank, given our diverse lending portfolio spanning Corporate, SME, and Retail segments. Our approach to credit risk management is defined by prudent underwriting standards, robust client

selection criteria, and proactive monitoring. BRAC Bank holds one of the lowest NPL ratios in the industry. While Corporate lending has

been a key driver of recent growth, BRAC Bank remains an SME-focused institution, supporting financial inclusion. Despite macroeconomic challenges such as inflationary pressures and climate risks (e.g., flash floods affecting SME borrowers), our granular loan book and disciplined risk monitoring ensure controlled delinquencies. The use of advanced Expected Credit Loss (ECL) models, Probability of Default (PD) assessments, and Loss Given Default (LGD) analytics for the SME & Retail portfolio enables early risk identification and mitigation.



Market Risk Management: Strengthening Financial Stability

Market risk management is crucial in ensuring BRAC Bank's financial resilience. We implement comprehensive stress testing and scenario analysis to evaluate potential vulnerabilities arising from interest rate fluctuations, currency volatility, and economic shocks. Our matched FX book and well-calibrated foreign exchange exposures ensure minimal risk in our trade commitments. The bank's investment in treasury securities, corporate bonds, and capital markets follows a stringent limit framework, preventing concentration risks and ensuring portfolio diversification. The introduction of a new ALM (Asset Liability Management) solution enhances our ability to monitor solvency and liquidity parameters dynamically, ensuring preparedness for evolving market conditions.

Liquidity and Solvency: Ensuring Business Continuity

A strong liquidity position is a key sustainability indicator. BRAC Bank is sufficiently liquid as per all liquidity indicators. Our LCR remains above 100%, in addition to maintaining the SLR requirement. We maintain a high CASA ratio, providing a stable and cost-effective funding base. Our focus on earnings retention and capital preservation ensures long-term solvency. BRAC Bank consistently maintains excess capital adequacy over the minimum regulatory requirement. The majority portion

of the eligible capital is covered by Common Equity Tier 1 Capital. Through ICAAP, we assess capital adequacy in alignment with Basel III requirements, reinforcing resilience against economic downturns. The Economic Instability Index, developed by our risk team, aids in forecasting macroeconomic conditions and their impact on Non-Performing Loans (NPLs), allowing proactive policy adjustments.

Operational Resilience and Cybersecurity: Safeguarding Trust

Operational risk management is integrated into our framework through dedicated policies, risk registers, and incident monitoring mechanisms. The Incident Response Forum (IRF) acts as the bank's rapid-response mechanism for crisis events, ensuring swift risk resolution. Cybersecurity remains a cornerstone of our risk strategy. BRAC Bank has implemented a 24/7 Security Operations Centre (SOC) and Data Loss Prevention (DLP) solutions to safeguard sensitive information. To further enhance resilience, we conduct regular third-party penetration testing (VAPT) and internal red teaming exercises to identify vulnerabilities before they materialize into threats. Additionally, we are conducting an Information Security Maturity Assessment to benchmark our cybersecurity framework against global standards, ensuring continuous improvement.

Embedding ESG into Risk Management

Sustainability is at the heart of our risk management strategy. BRAC Bank has been recognised as one of the Top Sustainable Banks by the central bank for four consecutive years. Our risk framework integrates Environmental and Social Risk Management (ESRM) exercises, conducted quarterly to assess ESG risks in our lending and investment decisions. To foster an ethical and fraud-resistant banking environment, we are rolling out a Fraud Risk eLearning Module via our digital learning platform ALO. This initiative will enhance fraud detection capabilities among frontline employees and improve client awareness.

Conclusion

BRAC Bank's risk management framework is a strategic pillar supporting its long-term sustainability and financial stability. By combining advanced analytics, strong governance, and a forward-looking risk culture, we ensure resilience in a dynamic operating environment. Our commitment to responsible risk-taking and proactive risk mitigation strengthens stakeholder confidence and reinforces our position as a sustainable banking leader.





Our Commitment to The Planet

GREEN FINANCE THROUGH CORPORATE BUSINESS:

Empowering Corporates for A Greener Tomorrow

Tareq Refat Ullah Khan

Additional Managing Director and Head of Corporate & Institutional Banking

Green Finance Through Corporate Business

BRAC Bank PLC has evolved from an SME-focused bank to a full-fledged Corporate & Institutional Bank over the years. This journey has been a true transformative story, with meaningful restructuring carried out in all areas, including people, processes, business strategy, and risk management approaches. With the platform in place, we have extended our business into both existing and new segments for sustainable and robust growth. By the end of 2024, the team has achieved phenomenal performance across all relevant parameters, including portfolio growth, trade milestones, and asset quality.

The growth journey we aspired to is not solely driven by BAU (Business as Usual) operations. A key focus has been placed on sustainable and green financing to have a meaningful impact and promote responsible financing in society. On a positive note, 24% of our portfolio remains in green finance, 81% in sustainable finance, and 98% in the low ESGR category—demonstrating our strong commitment to growing our greener footprint. In addition, we have positioned ourselves as a major and consistent PFI partner of the central bank and are also catering to the highest funding line from DFIs for sustainable financing.

During the year, our key project financing included funding a 68 MW solar plant, financing 53 RMG factories with greener buildings, machineries and rooftop solar facilities, from which BDT 2,362 million applied in refinancing through the central bank's refinance schemes, which have been the highest in recent years.



Breaking away from the conventional banking model, our strong presence in digital solutions, such as CORPnet for payment and collection solutions, has replaced 5.69 million manual transactions, reducing paper and manual intervention. We are also committed to investing in and enriching our trade solutions, Document Management System, Credit Application Module, and Customer Relationship Management solutions, which will further enhance our digital footprint and reduce paper use and carbon emissions for a more sustainable planet.

We have transformed ourselves into a socially and environmentally responsible bank, extending our economic value by promoting women's employment through financing RMG projects, enhancing energy security by supporting the public and private sectors, extending food security through financing the food and agriculture sectors, and avoiding investments in tobacco, shipbreaking, and tannery-related industries. We are promoting green and sustainable financing to reduce carbon emissions and making a positive contribution to digital inclusion in various national services.

Going forward, we will continue to strengthen our footprint in sustainable financing and transform ourselves into a more purposeful institution. Together with our clientele, stakeholders, and staff, we will reach new heights and set the standard for sustainable and responsible banking in the market.

CASE STUDY:

Utility Scaled Solar Project

In alignment with the country's commitment to renewable energy, North-West Power Generation Company Limited (NWPGL), in collaboration with various power generation entities, has been entrusted with realizing the nation's renewable energy goals. As part of this initiative, NWPGL formed a strategic joint venture with China National Machinery Import & Export Corporation (CMC), leading to the establishment of Bangladesh-China Renewable Energy Company Limited (BCRECL). BCRECL is tasked with the development and operation of renewable energy-based power plants throughout Bangladesh, with a focus on achieving sustainability targets.

BCRECL's inaugural project is a 68 MW grid-tied Solar Power Plant located in Soyedabad, Sirajganj, near the



Jamuna Bridge. This plant, which began operations in July 2025, is designed to contribute significantly to Bangladesh's clean energy landscape by supplying electricity to the Bangladesh Power Development Board (BPDB) under a 20-year power purchase agreement. The project covers 214 acres of land and was developed at a total cost of USD 89.99 million, with a debt financing requirement of USD 70 million.

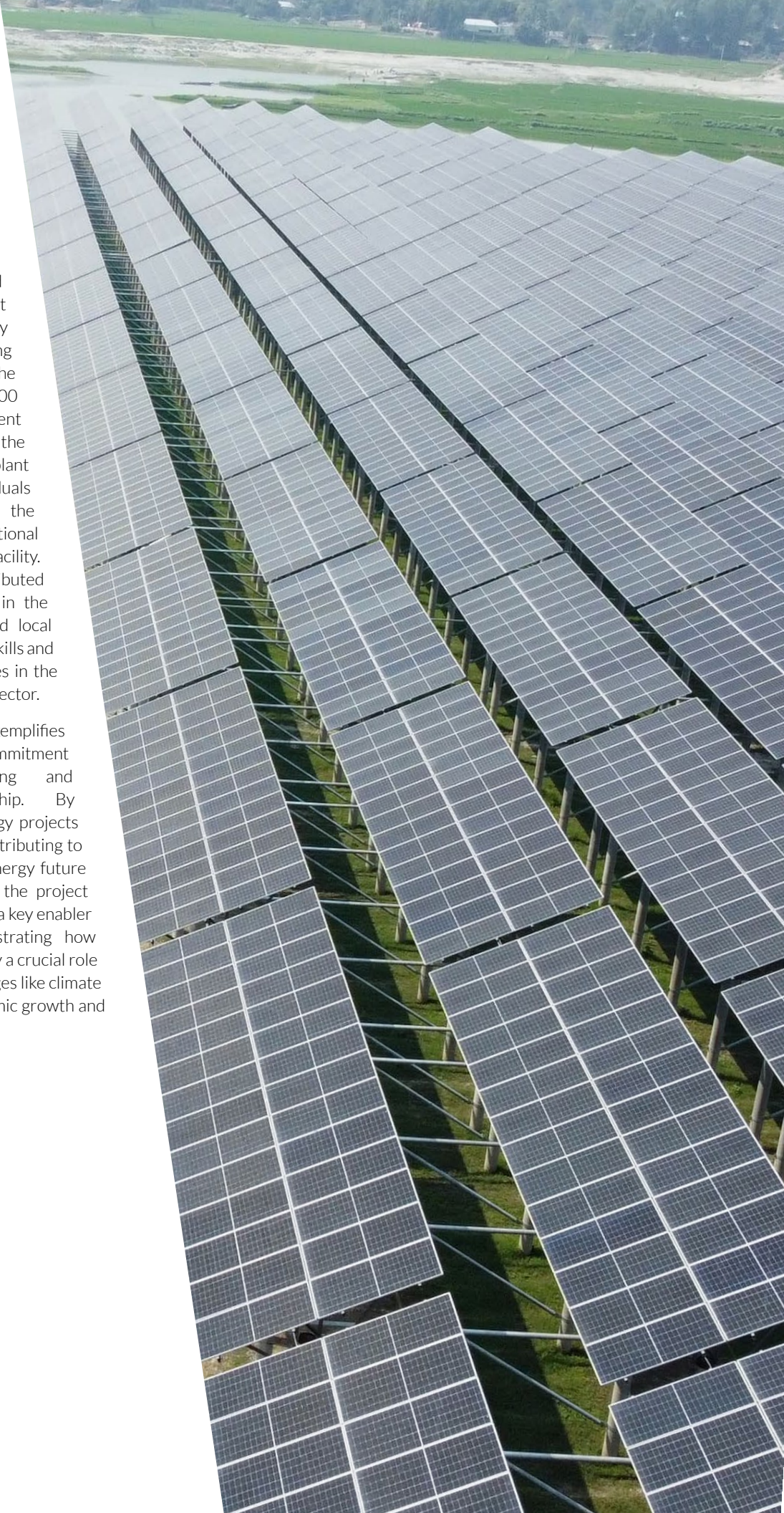


BRAC Bank, recognizing the long-term potential of renewable energy, provided a pivotal long-term financing package of USD 15 million for this project. This represents the bank's first major investment in the renewable energy sector, showcasing its commitment to supporting sustainable energy solutions.

The impact of this investment is profound, not only in terms of environmental sustainability but also in social and economic development. The solar plant is expected to reduce CO₂ emissions by an estimated 70,088.51 tons annually, contributing significantly to Bangladesh's goals of reducing its carbon footprint. This reduction in emissions is a key milestone in the nation's efforts to combat climate change and promote cleaner, greener energy sources.

Beyond its environmental benefits, the project has had a significant positive impact on the local community and the economy. During its implementation, the project created over 800 jobs, providing employment opportunities to many in the region. At present, the plant directly employs 140 individuals who are responsible for the maintenance and operational management of the solar facility. This has not only contributed to economic development in the area but has also provided local communities with valuable skills and sustainable job opportunities in the growing renewable energy sector.

This solar project exemplifies BRAC Bank's broader commitment to sustainable financing and environmental stewardship. By supporting renewable energy projects like this one, the bank is contributing to the creation of a cleaner energy future for Bangladesh. Moreover, the project highlights the bank's role as a key enabler of green finance, demonstrating how financial institutions can play a crucial role in addressing global challenges like climate change while driving economic growth and job creation.



CORPORATE SOCIAL RESPONSIBILITY:

BRAC Bank's Commitment to Sustainability and Ethical Growth

Ekram Kabir
Head of Communications

BRAC Bank's Corporate Social Responsibility (CSR) policy is deeply embedded in our core philosophy of People, Planet, and Prosperity (3Ps), reflecting the vision of our late founder Chairman, Sir Fazle Hasan Abed. Designed in alignment with Bangladesh Bank guidelines, our CSR approach integrates sustainable banking with social transformation, ensuring that our business operations drive meaningful change. We remain dedicated to fostering a sustainable future through education, healthcare, climate adaptation and mitigation, environmental sustainability, culture, sports, and disaster relief.



CSR Mission: Beyond Banking, Toward Inclusion

Education Initiatives: Transforming Futures

Our education-focused initiatives are shaping a new generation of leaders by enabling access to quality learning opportunities:



Aporajeyo TARA Scholarship

Launched in 2023, this is Bangladesh's **first women-only scholarship** aiming to break gender barriers in higher education.



Scholarship Support

Provided financial assistance to female students at **Dhaka University (Faculty of Business Studies)**, **BRAC University**, and meritorious students selected by **Prothom Alo Trust**.



National Education Support

Allocated **5% of the CSR budget** to the **Prime Minister's Education Assistance Trust** to assist underprivileged students.

Through these initiatives, BRAC Bank is not just funding education but creating a pipeline of empowered women and future leaders who will drive economic and social progress.

Health Initiatives: Changing Lives, One Patient at a Time

Health remains a major focus area, with its flagship initiative, "BRAC Bank Aporajeyo Ami," aimed at improving access to quality healthcare:

VisionSpring:

- ✔ Conducted free vision screenings for 15,500+ factory workers and the bank's non-executive staffers.
- ✔ Eyeglasses Distribution: 5,916 workers (38% of those screened) received corrective glasses, enhancing their productivity and well-being.

Kidney Foundation Sylhet:

- ✔ Funded an oxygen plant to enhance critical patient care.
- ✔ Contributed BDT 8 million to the Sir Abed Kidney Dialysis Fund, providing free dialysis treatments to underprivileged patients.

BRAC Limb and Brace Centre (BLBC)

- ✔ Supported 45 students injured during the July Uprising 2024, providing artificial limbs and braces.
- ✔ Distributed BDT 25,000 to 414 injured individuals.

Bangladesh Business and Disability Network (BBDN):

- ✔ Partnered to sensitise co-workers on disability and promote inclusivity at the workplace.
- ✔ Hosted the 'Empower Ability: Powering Every Ability' national conference in further collaboration with ILO and GIZ.

Bangladesh Eye Trust Hospital:

- ✔ Contributed two phaco machines to facilitate affordable cataract surgeries for underprivileged patients.

These interventions are not just about healthcare—they are about restoring dignity, productivity, and opportunities for thousands.

Environmental Initiatives: Strengthening Climate Resilience

BRAC Bank continues to lead efforts in climate adaptation and environmental conservation:

Climate-Smart Agriculture:

- ✔ Partnered with the Department of Agriculture Extension (DAE) and Gram Unnayan Karma (GUK).
- ✔ Supported 2,500+ farmers in cultivating climate-resilient crops and smart agriculture techniques, ensuring sustainable livelihoods.

Tree Plantation for World Environment Day:

- ✔ Planted 3,000 climate-resilient trees at Polly Unnayan Academy, Jamalpur.
- ✔ Ensured long-term maintenance in collaboration with Torupallab.

Saving trees by removing nails:

- ✔ Partnered with the Forest Department in Bangladesh, which is responsible for managing and conserving the country's forests and wildlife to remove nails from trees nationwide.

By integrating sustainability in agriculture, forestry, and conservation, BRAC Bank protects people's livelihoods and the planet's future.

Disaster Relief and Social Support: Rapid Response, Lasting Impact

Recognising the critical need for disaster response and social support, BRAC Bank has stepped up relief efforts:

Winter Aid Distribution:

- ✔ Distributed 30,000 blankets across 21 districts, including Dhaka, Khulna, Barishal, Rajshahi, Rangpur, Sylhet, and Mymensingh.
- ✔ Total blanket distribution stands at 53,000 in 2024.

Flood Relief Contributions:

- ✔ Contributed BDT 5 crore to the Bangladesh Air Force (BAF) for rescue and relief in Feni flood-affected areas.
- ✔ Provided BDT 1.43 crore to BRAC's 'Dakche Amar Desh' initiative for flood relief in eastern Bangladesh.

These contributions underscore BRAC Bank's role as a dependable partner in times of crisis, ensuring communities are supported when they need it most.

A Legacy of Impact: Real Change, Beyond Compliance

BRAC Bank's CSR initiatives go far beyond regulatory requirements; they are about creating real, sustainable change. Our strategic approach ensures that every intervention is well-executed through deep intervention, a long-term solution rather than a short-term relief measure.

- ✔ **Education:** Aporajeyo TARA Scholarship shatters gender barriers, creating opportunities for women to become future leaders, educators, and entrepreneurs.
- ✔ **Healthcare:** Free eye care services, dialysis treatments, and disability support are not just about treatment but about enhancing quality of life.

- **Environmental Sustainability:** By equipping farmers with climate-smart agricultural practices, BRAC Bank is securing food security and economic resilience.
- **Disaster Relief:** Our rapid flood and winter aid interventions are not just responses to crises; they are about helping communities rebuild and thrive.
- **Inclusivity:** By promoting disability inclusion and workplace sensitisation, BRAC Bank transforms societal perceptions and ensures equal opportunities for all.

A Future of Shared Prosperity

Through its strategic, well-designed CSR programmes, BRAC Bank has demonstrated that true impact is not about how much you spend but how wisely you invest.

Our legacy is one of empowerment, resilience, and equality, ensuring that every taka spent creates a ripple effect of positive change. As we continue our journey, BRAC Bank remains committed to shaping a more inclusive, sustainable, and prosperous Bangladesh for generations to come.

BRAC Bank – Bank that cares, bank that creates impact.





Our Commitment to Our People

ETHICAL VALUES AND WORKING ENVIRONMENT:

BRAC Bank's Foundation for Sustainable Success

Akhteruddin Mahmood
Head of Human Resources

Our Ethical Culture: Building on Values

At BRAC Bank, our success is built on a foundation of our core values - integrity, innovation, inclusiveness, customer-centricity, and effectiveness (3ICE). These values aren't just words on a page—they guide every decision we make and shape our organizational identity. From recruitment to retirement, every employee's journey with us is aligned with these fundamental principles.

To ensure these values are upheld consistently, we maintain a comprehensive Code of Conduct that serves as the cornerstone of our ethical framework. This code provides clear guidelines for all employees, ensuring that every interaction and decision reflects our commitment to ethical excellence. When ethical concerns arise, our robust reporting channels ensure employees can safely report issues without fear of retaliation, with all cases thoroughly investigated by our Internal Control and Compliance division to maintain the highest standards of conduct.

Inclusive Workplace: Celebrating Diversity

We believe diverse perspectives drive innovation and are integral to our culture of inclusivity. Our commitment to gender diversity is reflected in our workforce composition and targeted initiatives to promote female leadership. Building on our 2023 achievements of (23%) female representation in our non-sales workforce, we continue working toward our goal of reaching 25% by the end of 2025.

The ELEA (Enlightened Leaders Exemplify Achievement) programme launched in 2024 is supporting talented female coworkers' leadership development and career progression through mentorship, external training, hands-on project management, and cross-functional role attachments.

Beyond gender diversity, we've reinforced our inclusive initiatives to embrace employees of all backgrounds, abilities, and perspectives, living our core values of integrity, innovation, inclusiveness, customer centricity, and effectiveness.

Open Communication: Transparency in Action

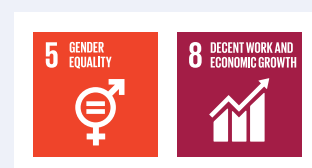
Our open-door policy continues to foster trust between employees and leadership. This approach ensures that decisions are well-informed and consistent with our principles. The transparent communication channels advocated by our top management allow employees to easily interact with leadership and remain up to date on the bank's strategic goals and ongoing developments.

This transparency creates an environment where employees across all levels can voice their opinions, facilitating inclusive decision-making and ensuring everyone has a sense of ownership and accountability for the company's mission. By maintaining open lines of communication, we build confidence between staff and leadership while strengthening employee commitment to our shared goals.

Professional Development: Investing in Our People

Professional growth remains a priority at BRAC Bank, where we foster a culture of continuous learning and excellence. This year, we've enhanced our development programmes through:

- Personalized learning paths that align individual aspirations with organizational needs
- Leadership development initiatives that prepare emerging leaders for future roles
- Technical training that keeps our team at the forefront of industry innovations
- Expanded digital learning capabilities through our ALO e-learning platform.





Employee Wellbeing: Supporting the Whole Person

Our integrated wellness approach encompasses mental and physical health support for our employees. In 2024, we continued to provide access to certified counsellors through our mental health partnerships, maintain on-site medical centres with both male and female doctors, and offer comprehensive vaccination programmes across our premises nationwide. Supporting work-life balance remains a priority through our in-house wellness initiatives like gym facilities, yoga classes, childcare facilities, and supportive leave policies including six months of paid maternity leave and four weeks of paid miscarriage leave. These investments in employee wellbeing have contributed to reduced turnover rates and strengthened engagement across the organization.

Performance Management: Recognizing Excellence

Our performance management system continues to evolve, focusing equally on quantitative results and values-based qualitative indicators. We establish SMART and succinct goals for every employee, ensuring clarity and alignment with the bank's vision and strategic objectives.

Regular feedback cycles ensure employees receive timely guidance, while recognition programmes celebrate those who exemplify our values. This transparent evaluation process has created a vibrant ecosystem where individual excellence drives organizational success.

Looking Forward: Our Commitment

As we move forward, BRAC Bank remains dedicated to creating a workplace where ethical conduct, inclusivity, and employee development drive sustainable success. We continue advancing our digital learning capabilities, strengthening leadership development programmes, and enhancing employee well-being initiatives.

By nurturing our people, we strengthen our ability to serve our customers and community with integrity and excellence. Through these integrated efforts, we're building not just a bank but a community of professionals united by shared values and a commitment to positive impact—both within our organization and throughout Bangladesh.



FAIR RECRUITER AND EMPLOYER: Building BRAC Bank's Future Together

Akhteruiddin Mahmood
Head of Human Resources

Promoting Equitable Employment and Inclusive Workforce Culture

At BRAC Bank PLC, we recognise that sustainability encompasses more than environmental stewardship which is intrinsically linked to social equity and principled governance. As a leading financial institution in Bangladesh, we are dedicated to cultivating an organizational culture founded on fairness, inclusivity, and mutual respect. With our focus on People, Planet and Prosperity, we are committed to creating a diverse and ethical workplace for everyone.

Equity in Talent Acquisition and Inclusive Recruitment

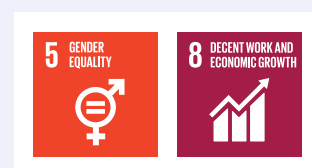
We remain steadfast in our commitment to equitable talent acquisition by ensuring our recruitment processes are merit-driven, transparent, and inclusive. BRAC Bank adheres to a comprehensive non-discrimination policy across all stages of recruitment, evaluating candidates solely on their qualifications, competencies, and potential irrespective of gender, religion, ethnicity, physical ability, or socio-economic background.

To broaden our talent pipeline and enhance workforce diversity, we actively collaborate with academic institutions, career development platforms, and community-based initiatives. Furthermore, we conduct checkbacks of our recruitment frameworks to ensure alignment with employment standards and local regulatory requirements.

Advancing Gender Equity and Inclusion of Underrepresented Groups

A key pillar of our human capital strategy is the empowerment of women and marginalized communities. BRAC Bank maintains a commendable track record in fostering gender diversity, particularly in leadership roles. Additionally, our flagship initiative Young Leaders Programme (YLP) and Branch Young Leaders Programme (BYLP) are structured to identify, mentor, and advance high-potential professionals into strategic decision-making positions.

In parallel, we provide development opportunities and equitable access to career progression for individuals from underserved communities through structured mentoring, skill-building initiatives, and transparent internal mobility processes.



Ethical and Transparent Hiring Practices

Upholding integrity in recruitment is fundamental to our talent strategy. BRAC Bank enforces a zero-tolerance policy toward favouritism, nepotism, and undue influence within the hiring lifecycle. A strong governance framework and internal controls are in place to ensure full compliance with our ethical hiring standards.

Our Human Resources team is equipped to execute structured interviews and competency-based evaluations, thereby facilitating unbiased candidate assessments. Technical proficiency, character traits, and the candidate's compatibility with the bank's fundamental values—integrity, innovation, inclusiveness, customer-centricity, and effectiveness—are the main topics of these assessments. Additionally, we uphold a transparent feedback mechanism, reinforcing our commitment to a fair and respectful recruitment experience.

Employee Well-being and Competitive Remuneration

Our responsibilities as a fair employer extend well beyond recruitment. BRAC Bank offers a competitive and equitable total rewards structure, regularly benchmarked against market standards. This includes base compensation, performance-linked incentives, provident fund contributions, gratuity, comprehensive health insurance, and a suite of employee-centric benefits.

We actively promote employee wellness through policies supporting work-life balance, flexible working

arrangements, and access to wellness and mental health support through programmes.

Employee Voice and Organizational Justice

We nurture a workplace culture that values open dialogue and equitable resolution. Our whistleblower protection mechanism and formal grievance redressal systems are designed to empower employees to voice concerns without fear of reprisal. We maintain strong compliance with labour standards through active engagement with regulatory and labour authorities.

Conclusion

Being a fair recruiter and employer is not merely a compliance obligation—it is a fundamental tenet of BRAC Bank's organizational ethos. Through principled hiring practices, inclusive policies, equitable treatment, and structured growth pathways, we are committed to nurturing a workplace culture that exemplifies our values. As we continue to set industry benchmarks, BRAC Bank remains resolute in integrating sustainability not only into our business practices but also into the lived experiences of our people.



STAFF DEVELOPMENT:

Empowering Careers for Strengthening BRAC Bank

Akhteruddin Mahmood
Head of Human Resources

Learning, Growing, and Thriving

Every year, we focus on enhancing the skills, knowledge, and leadership potential of our employees, ensuring they are well-equipped to excel in a dynamic financial landscape. In 2024, our dedication to learning and development was reflected in an impressive average of 24.45 training hours per employee, accumulating a total of 332,545 training hours bank-wide. Across 291 specialized training programmes—spanning functional expertise, soft skills, customer service, compliance, and more—57,978 participants engaged in transformative learning experiences. By leveraging both in-person and digital platforms, we successfully reached 13,603 employees, covering our Full-time and Non-Full-time Executives alike.

Every new team member at BRAC Bank PLC embarks on a structured journey of growth—one that nurtures not only their careers but also their confidence, aspirations, and leadership potential. Our learning philosophy extends beyond technical knowledge, emphasizing sustainable banking, digital transformation, ethical finance, and customer service excellence. However, we believe true success is not just about acquiring knowledge; it is about fostering a culture of integrity, accountability, and a passion for positive change.

Shaping the Future of Leadership at BRAC Bank PLC

Banking is more than just numbers—it's about people, vision, and the ability to drive meaningful change. At BRAC Bank PLC, we believe in cultivating leadership at every level, inspiring our employees to think beyond their roles and emerge as changemakers.

In 2024, we proudly celebrated the graduation of 56 Young Leaders from the 2023 batch and welcomed 55 dynamic new talents in August 2024. The 2024 batch has embarked on an intensive, year-long transformative journey, designed to mold them into the next generation of banking leaders—equipped with strategic thinking, adaptability, and a future-ready mindset.

Empowering Leaders, Transforming Mindsets

Leadership is evolving, and so are we. To reshape

the leadership culture, we are shifting from a traditional directive approach to a coaching-driven methodology—one that fosters empowerment, collaboration, and innovation. As part of this vision, we have conducted formal coaching skills workshops for 237 leaders, enabling them to guide and mentor their teams more effectively.

Moreover, we recognise the need to nurture emerging leaders across various functional domains. To expand their expertise, we curated specialized leadership programmes such as BOM Development and BDM & Risk Manager Development, offering a comprehensive learning experience tailored to their professional growth. Through a series of immersive, day-long training sessions, participants honed critical skills essential for excelling in their roles and driving the bank's success forward.

Nurturing the TARA's for Brighter Voyage

We are committed to empowering our female employees, equipping them with the confidence, skills, and poise to excel in their corporate journey. In line with this vision, we introduced the "Corporate Grooming & Etiquette" training programme, specially designed to enhance professional presence, communication, and workplace decorum. In 2024, we successfully trained 217 of our talented female colleagues, ensuring they are well-prepared to navigate the corporate world with grace and confidence.

This initiative is not just a one-time effort but a stepping stone toward a larger mission. As we move forward into 2025 and beyond, we remain dedicated to nurturing the growth of our female professionals through continuous training, mentorship, and leadership development programmes. By investing in their potential, we are shaping a workforce where women thrive, lead, and inspire future generations.





Adapting to a Digital Future through ALO

In a rapidly evolving world, the banking industry is undergoing a profound transformation. To ensure our employees remain at the forefront of this digital revolution, BRAC Bank PLC is committed to equipping them with cutting-edge digital skills, immersive e-learning experiences, and future-focused training programmes. Our vision extends beyond mere technological proficiency—we aim to instil confidence, adaptability, and a digital-first mindset that empowers our people to navigate the complexities of the modern financial landscape effortlessly.

Our proprietary digital learning platform, ALO (Alternate Learning Outlet), continues to expand its impact, with eight internally developed courses designed to enhance knowledge, efficiency, and innovation. In 2024, we

facilitated 19 Learning Hours, ensuring our workforce remains updated with the latest industry trends and insights. Notably, 13.6% of our total training hours were achieved through ALO, reflecting our commitment to seamless digital education. With 24,942 employees actively engaging in courses and learning sessions, our digital learning framework is redefining how we cultivate expertise and professional development.

A Lifelong Commitment to Our People

At BRAC Bank PLC, learning never stops. We don't just offer training; we build relationships. We listen to our employees, celebrate their successes, and stand by them through every step of their careers. When they grow, we grow. Looking forward, our mission remains clear—to create a workplace where everyone feels inspired, valued, and empowered to contribute to a better world.

IMPACT STORY:

ELEA- Enlightened Leaders Exemplify Achievement

At BRAC Bank PLC, empowering women and fostering leadership diversity is central to our sustainability strategy. We believe in providing equal opportunities for growth and advancement, especially in leadership roles. As part of this commitment, BRAC Bank has launched “ELEA” – Enlightened Leaders Exemplify Achievement – a comprehensive women’s leadership development framework designed to equip women employees with the tools and skills needed to excel in senior management roles.

“ELEA” is a transformative initiative driven by the Bank’s Internal Women’s Forum, ‘TARA,’ in collaboration with the Human Resources department. The programme is led by

Ms. Farhana Sharmin Sumi, Senior HR Business Partner, and targets twenty-five ambitious women employees.

Over the course of one year, the programme will follow the 70:20:10 learning model, combining cross-functional attachments, hands-on projects, coaching and mentoring, as well as classroom sessions and workshops. This multi-faceted approach ensures that participants gain practical experience and leadership insights, preparing them for future leadership roles.



At the launch event held on 7th October 2024, Managing Director and CEO, Mr. Selim R. F. Hussain, emphasized that “ELEA” will provide women employees with the critical skills and capabilities needed for demanding senior management roles. He reaffirmed the Bank’s commitment to introducing such capacity-building programmes to foster personal growth and enhance the contributions of women employees within the organization. Chief Technology Officer and Head of the Internal Women’s Forum ‘TARA,’ Nurun Nahar Begum, expressed her optimism that “ELEA” will serve as a springboard for women to further their careers and drive organizational success.



The 'TARA' forum, established to support women's career development and professional excellence, aims to increase accessibility to critical information, guidance, and mentorship. "ELEA" stands as a prime example of 'TARA's vision in action, reflecting our collective efforts to create a more inclusive and equitable workplace where women can thrive and lead.

PERFORMANCE REPORT ON GENDER EQUALITY ISSUES

Sl.	Issue	Particulars	Number	Percentage	
1	Gender diversity among Board members	Male	6	66.67%	
		Female	3	33.33%	
2	Gender diversity among full-time co-workers	Entry-level			
		Male -	3569	85%	
		Female-	652	15%	
		Mid-Level			
		Male-	3127	82%	
		Female-	658	18%	
		Senior Management			
		Male-	917	89%	
		Female-	105	11%	
3	Gender breakdown by age group for full-time co-workers	Below 30 years			
		Male-	904	70%	
		Female-	377	30%	
		30-50 years			
		Male-	6606	87%	
		Female-	1064	13%	
		50 years and above			
		Male-	103	88%	
		Female-	14	12%	
4	Maternity leave policy	Yes			
5	Day-care centre	Yes	One in the head office in Dhaka.		
6	Transport facility for female co-workers for working beyond usual office hours	Yes			
7	Separate washroom facility for female co-workers at the head office and branches	Yes			
8	Co-worker turnover by gender (2024)		Number of co-workers	Number of separations-	Turnover rate
		Male	7613	238	3%
		Female	1455	41	3%
9	Training on gender equality / awareness programmes	Yes			
10	Sexual harassment prevention policy	Yes.	We have in place a SHE Policy (Sexual Harassment Eradication Policy) that ensures that our co-workers have the right to protect themselves from inappropriate behaviour and that they may raise a flag at any discrepancies or violation of rights		



Sustainability & Climate Related Financial Disclosure

1.1 UNDERSTANDING BRAC BANK'S APPROACH TO IMPLEMENTING IFRS S1 AND IFRS S2 REQUIREMENTS

BRAC Bank is fully committed to adopting the IFRS S1 and IFRS S2 standards, which were issued by the International Sustainability Standards Board (ISSB) in June 2023. These standards represent the first globally recognised framework for sustainability-related financial disclosures and are designed to enhance transparency and accountability in reporting sustainability risks and opportunities. Though these standards are still in the process of being adopted worldwide, including in Bangladesh, the bank has recognised their importance and is aligning its reporting practices accordingly.

IFRS S1 provides a set of guidelines for sustainability-related financial disclosures. It requires organizations to disclose essential information related to sustainability risks and opportunities, including governance, strategy and risk management. These disclosures help stakeholders, including investors, lenders, and analysts, to assess the long-term sustainability and financial performance of an organization. For BRAC Bank, complying with IFRS S1 ensures the bank is transparent about its sustainability practices and can be held accountable for its commitments to environmental, social, and governance (ESG) goals.

IFRS S2, which focuses specifically on climate-related disclosures, complements IFRS S1. It mandates that companies report on how climate-related risks and opportunities could materially affect their financial condition and performance. This includes assessing potential impacts on cash flows, access to financing, and the cost of capital, both in the short term and over the long term. IFRS S2 will enable BRAC Bank to disclose the specific climate-related risks it faces and how the bank is addressing these challenges through its strategy and operations.

In line with its commitment to these global standards, BRAC Bank is working towards fully integrating IFRS S1 and S2 into its strategy, governance, and risk management frameworks by the end of the financial year 2024. The 2023 Sustainability Report marks the bank's first voluntary disclosure of these standards, providing stakeholders with an early look at how the bank is addressing ESG-related financial risks. Moving forward, the 2024 Sustainability Report will provide a more comprehensive view, with detailed disclosures in line with the IFRS S1 and S2 requirements.

By adopting these standards, BRAC Bank aims to strengthen its sustainability management practices, ensuring a structured approach to sustainability-related risks and opportunities. This will not only enhance the bank's ability to manage climate and sustainability challenges but also create long-term value for all stakeholders by improving transparency and aligning with global best practices.

1.2 Principles of Transparent Reporting

This report presents information relevant to the financial year 2024. The disclosures are complete, impartial, and accurate. In preparing this report, BRAC Bank has ensured the following principles are met:

- **Comprehensive Reporting:** BRAC Bank has provided a full depiction of sustainability-related risks and opportunities, ensuring that all material information required for stakeholders to understand these factors is included.
- **Clarity and Transparency:** Information is presented in a clear and understandable manner, with an emphasis on transparency. Any complex assumptions are disclosed, ensuring that no important details are omitted.
- **Accuracy and Precision:** The information provided is free from material errors, with accurate descriptions that align with the content.

- **Reasonable Estimates:** BRAC Bank has made reasonable assumptions and used relevant data to develop estimates. These estimates are based on sufficient information, both in quantity and quality, to ensure their reliability.
- **Transparent Judgements:** Judgements about future expectations are disclosed in a clear and transparent manner, with the necessary context provided to understand the basis of these judgements.
- **Contextual Understanding:** The report is structured to clarify the interrelationships between the various elements, offering a comprehensive view of how the information connects.
- **Commercial Sensitivity:** When sustainability-related opportunities involve commercially sensitive information, BRAC Bank carefully assesses whether disclosure could potentially impact its competitive advantage. If there is a risk of harming this advantage, such information may be withheld.

1.3 Consistent Reporting and Data Use

To ensure consistency across all reports published by BRAC Bank, the same data and assumptions have been utilized in preparing the sustainability-related financial disclosures in line with the reporting boundaries of our financial report for the 2024 financial year. This includes the application of the same accounting policies, methods, and estimates used in the preparation of the financial statements, as well as the use of the same presentation currency, i.e., BDT (Bangladeshi Taka).

1.4 Comparative Sustainability Reporting

The sustainability-related financial disclosures presented in this report align with the same reporting standards and boundaries as those in the corresponding financial statements. BRAC Bank is in the process of further enhancing its internal policies and controls in accordance with IFRS S1 and S2 requirements, ensuring the comparability of information related to identified sustainability-related risks and opportunities in the years ahead, as well as the inclusion of relevant performance metrics.

1.5 Disclosure Timing and Location

The IFRS S1 and S2 disclosures should be read in conjunction with BRAC Bank's general-purpose financial statements. This report marks the first voluntary disclosure in accordance with the requirements of IFRS Standards S1 and S2. The information presented corresponds to the financial year 2024. These elements are clearly highlighted within the report. The disclosures are integrated with the

annual financial statements for the financial year 2024, in line with the guidance provided by the IFRS Sustainability Disclosure Standards.

1.6 BRAC Bank Overview and Business Model

BRAC Bank PLC. was incorporated in Bangladesh as a public limited company under the Companies Act, 1994. The Bank offers a wide range of banking products and services to its customers, including individuals, businesses, governments, and institutions, helping them achieve their financial goals. BRAC Bank is committed to providing innovative financial solutions, with a strong focus on customer satisfaction, sustainability, and value creation.

The Bank also provides offshore banking facilities, catering to the financial needs of non-resident Bangladeshis and international clients, offering services such as foreign currency accounts, trade finance, and remittance solutions. BRAC Bank's business model focuses on leveraging its domestic network and offshore capabilities to meet the diverse needs of its customers, while ensuring long-term value creation for all stakeholders.

1.7 Guidance Sources for Reporting Standards

This report adheres to the IFRS S1 and S2 requirements for disclosing sustainability-related financial information. As a financial institution, BRAC Bank has identified the relevant IFRS S2 volumes applicable to its operations, specifically:

Volume 16 – Commercial Banking

The information presented in this report aligns with BRAC Bank's 2024 annual report and its sustainability disclosures. These reports are consistent with global frameworks such as the Global Reporting Initiative (GRI) 2021 Universal Standards, Sustainability Accounting Standards Board (SASB) standards, and the Bangladesh Bank's Sustainability Reporting Guidelines. BRAC Bank also complies with applicable regulations from the Bangladesh Securities and Exchange Commission (BSEC).

1.8 Statement of Compliance with IFRS Standards

At BRAC Bank, we are committed to transparency and to aligning with the evolving IFRS Sustainability Disclosure Standards (S1 and S2). Our accounting policies have been consistently applied throughout the financial year and in the comparative figures. The data presented is consolidated using the same principles applied to our financial statements. We remain dedicated to continuously improving our approach to financial materiality and the implementation of IFRS S1 and S2, while enhancing our related disclosures in the years ahead.

GOVERNANCE

2.1 Overview

Sustainability is central to BRAC Bank's strategic vision, guiding our approach to responsible banking and stakeholder engagement. Our commitment to sustainability governance is strengthened by robust structures that ensure alignment with global best practices and local regulatory frameworks. This commitment is led by a governance model managed by the Sustainable Finance team, whose primary objective is to generate value for shareholders while making a positive impact on society and the environment.

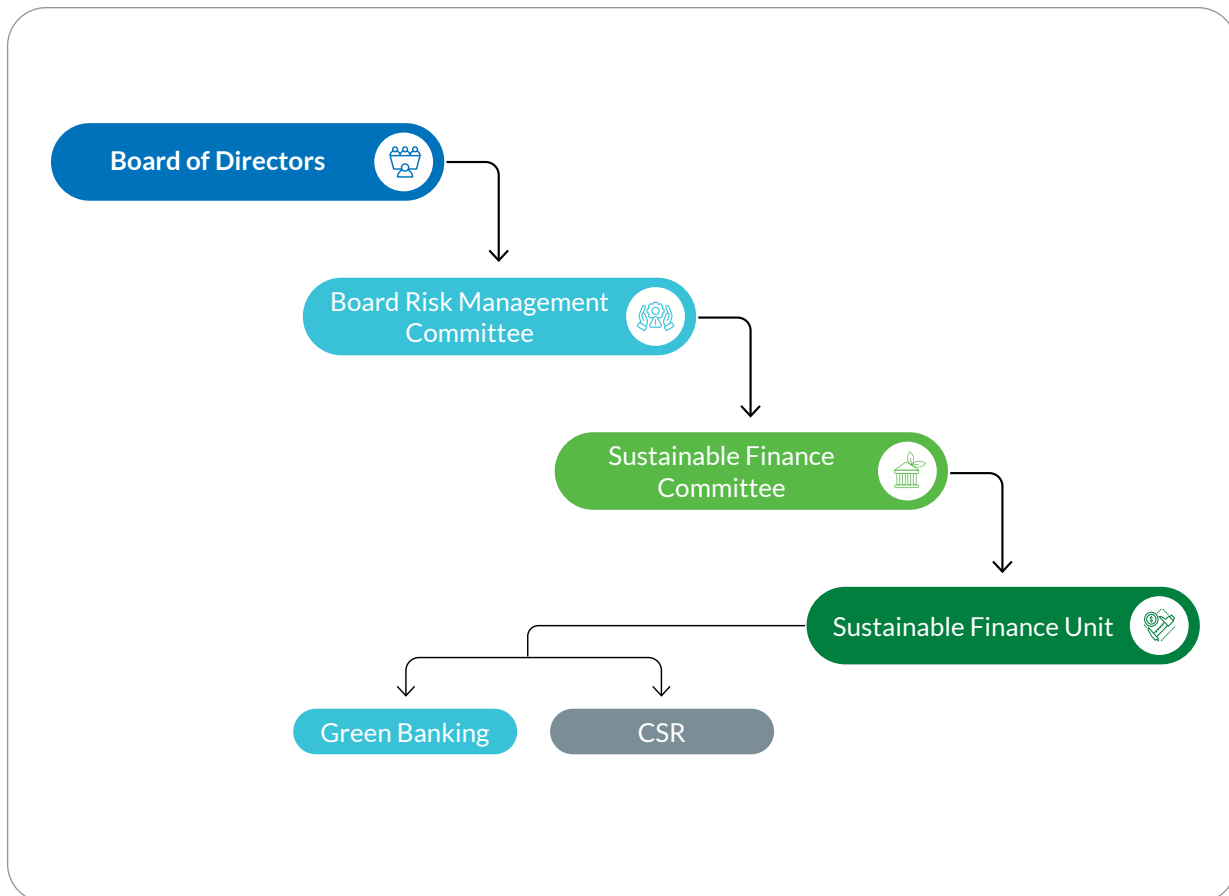
2.2 Role of Board Risk Management Committee

At BRAC Bank, the Board of Directors plays a pivotal role in shaping the bank's strategic direction, particularly in integrating environmental, social, and governance (ESG) factors into the bank's decision-making processes. The Board ensures that sustainability goals are closely aligned with the bank's long-term objectives and that sufficient resources are allocated to support sustainability initiatives across the organization. In addition to guiding the overall

sustainability strategy, the Board oversees the transparent disclosure of ESG-related information to stakeholders, ensuring accountability and openness.

The Board also evaluates the bank's performance in meeting its sustainability targets, helping to steer the organization toward continuous improvement in this area. By setting the tone for sustainable practices across all levels of the organization, the Board contributes to the creation of long-term value, taking into consideration the environmental and social impacts of the bank's operations.

Furthermore, the Board Risk Management Committee (BRMC) plays an integral role in the governance structure. It approves key policies related to strategic planning and sustainability, monitors the implementation of initiatives under the Sustainable Finance Unit (SFU), and recommends best practices for improving the bank's sustainability strategies, processes, and goals. This collaborative approach ensures that sustainability is deeply embedded in the bank's operations and decision-making.



2.3 Members of Board Risk Management Committee

Name	Age	Years of Experience	Professional Background	Educational Background
Mr. Salek Ahmed Abul Masrur (Chairperson)	66	40	Chief Executive Officer of 'The Consolidated Tea & Lands Co. (Bangladesh) Limited	MBA
Ms. Farzana Ahmed	63	42	Chartered Accountant, Former Senior Portfolio Management Specialist at ADB	BA (Hons) & MA in Philosophy, Politics and Economics
Dr. Zahid Hussain	70	48	Director of BRAC EPL Investment Limited and BRAC EPL Stock Brokerage Limited.	Ph.D. in Economics, Master of Arts in Political Economy, MBA
Ms. Lila Rashid	63	35	Former Executive Director of Bangladesh Bank	PhD, MBA

2.4 Role of Sustainable Finance Committee (SFC)

As per Bangladesh Bank's directive, BRAC Bank has established a Sustainable Finance Committee (SFC), led by the DMD and COO, to oversee the Sustainable Finance Unit (SFU), which reports to the Board Risk Management Committee (BRMC). This structure ensures strong governance and accountability for sustainability and ESG activities.

The SFC directs the SFU on strategic planning, implementation, and evaluation of sustainability initiatives, advising on setting and achieving targets while integrating sustainability across the organization. The committee includes senior leaders from various departments, ensuring a comprehensive approach to sustainability.

The SFC members possess diverse academic backgrounds and expertise in sustainability and are actively engaged in relevant certification programmes. BRAC Bank also provides ongoing training and develops resources to enhance employees' accessibility to sustainability-related information.

2.5 Members of Sustainable Finance Committee

No.	Name	Designation	Place within the committee	Years of Experience	Educational Background
1	Md. Sabbir Hossain	DMD & Chief Operating Officer	Chairman	32	BSc. In Engineering (Electrical & Electronics), MBA, Executive Certificate on Economic Development from Harvard Kennedy School
2	Tareq Refat Ullah Khan	AMD & Head of Corporate & Institutional Banking	Member	28	M.Com, MBA
4	Syed Abdul Momen	AMD & Head of SME Banking	Member	26	BSc. in Computer Communications
2	Mohammad Masud Rana FCA	DMD & CFO	Member	27	Fellow Chartered Accountant, Master of Accounting
5	Md. Shaheen Iqbal, CFA	DMD & Head of Treasury & FI	Member	25	B.Sc. in Engineering (Mechanical), MBA, CFA
6	Md. Mahiul Islam	DMD & Head of Retail Banking	Member	26	BBA in Finance
7	Ahmed Rashid Joy	DMD & Chief Risk Officer	Member	26	Masters in Bank Management (MBM)

No.	Name	Designation	Place within the committee	Years of Experience	Educational Background
8	Sheikh Mohammad Ashfaque	DMD & Head of Branch Distribution Network	Member	18	MBA in Finance
9	M. Sarwar Ahmed	Head of ICC	Member	34	Master of Arts
10	Md. Muniruzzaman Molla	Head of Operations	Member	31	Master of Social Science
11	Akhteruddin Mahmood	Head of HR	Member	36	BSc. In Aeronautics, MBA
12	Nurun Nahar Begum	Chief Technology Officer	Member	25	Master of finance
13	Brig Gen Md. Amin Akbar (Rtd)	Head of General Services	Member	37	MBA, Master of Strategic Studies and Masters of Defence Studies
14	Ekram Kabir	Head of Communication	Member	32	MA in English
15	Indraneel Chattopadhyay	Chief Marketing Officer	Member	18	Master of fine arts
16	Tashmeem Muntazir Chowdhury	Head of Sustainable Finance	Member Secretary	13	BSc. in Engineering (Electrical and Electronic), MBA, Certified Expert in Sustainable Finance

2.6 Role of Sustainable Finance Unit

The Sustainable Finance Working Team is a key governance component in BRAC Bank's sustainability strategy, ensuring that sustainability-related risks and opportunities are effectively managed across departments. The team plays a critical role in aligning the bank's operations with its long-term strategic goals, with a focus on sustainability. The diverse expertise and backgrounds of the team members contribute to strong governance, enhancing the team's ability to address complex sustainability challenges while maintaining accountability.

From a governance perspective, the Group ESG team outlines the bank's annual ESG strategy, ensures compliance with local regulations, and monitors global reporting frameworks. They provide regular updates to the Sustainable Finance Committee (SFC) to ensure transparency and accountability in the bank's sustainability initiatives. The team tracks and reports on the bank's sustainability metrics, including Scope 1, 2, and 3 emissions, ensuring the bank's performance aligns with its sustainability objectives.

The Sustainable Finance Working Team is responsible for driving the growth of Green and Sustainable Finance,

promoting best practices in Environmental and Social Risk Management (ESRM), and communicating sustainability efforts to stakeholders through tools like the Sustainability Report. The team ensures ESG compliance in mobilizing concessional funding from the central bank and multilateral organizations, reinforcing governance practices that align with international standards.

Additionally, the team is responsible for developing, updating, and maintaining policies and strategies that comply with regulatory requirements. They calculate GHG emissions using an internationally recognised methodology, which is PCAF, and work toward decarbonization goals. The team also actively engages with external stakeholders, including government bodies and private entities, to ensure collaboration and alignment with the bank's sustainability goals.

Through its governance-focused approach, the Sustainable Finance Working Team ensures that sustainability is deeply embedded in the bank's operational and decision-making processes, driving positive environmental, social, and financial impacts while maintaining strong oversight and accountability across all activities.



STRATEGY

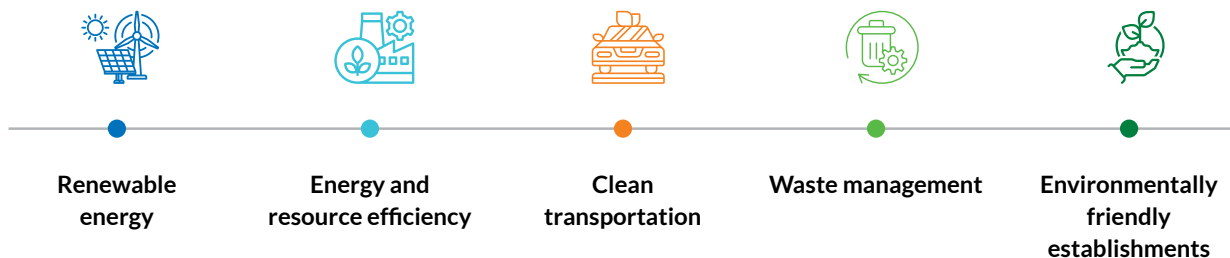
3.1. Overview

Sustainability is at the heart of BRAC Bank PLC's culture, operations, and strategic planning, shaping our decisions and creating long-term value for all stakeholders. Our sustainability strategy is grounded in key Environmental, Social, and Governance (ESG) priorities designed to drive sustainable growth, manage emerging risks, and deliver tangible outcomes. A core component of this strategy is offering responsible, inclusive, and innovative financial services that foster sustainable economic growth. BRAC Bank is focused on enhancing customer experience, creating value, and promoting financial inclusion, ensuring that all our services are underpinned by responsibility and sustainability. Our approach aligns with global and national frameworks, including the United Nations Sustainable Development Goals (UN SDGs), Bangladesh Vision 2041, and the Bangladesh Green Finance Policy, directing us towards financing the transition to a low-carbon economy, improving transparency in disclosures, leveraging technology for innovation, amplifying social impact, and upholding strong governance practices.



1. Financing Transition – (Green Finance)

BRAC Bank remains committed to advancing sustainable finance by providing financing for projects that contribute to a low-carbon and inclusive economy. A significant portion of the bank's financing efforts is dedicated to sectors aligned with global sustainability standards, including the Paris Agreement and the Nationally Determined Contributions (NDCs) of our country. We prioritise financing for green sectors from our own resources, with a focus on projects identified within BRAC Bank's Sustainable Finance Framework. These projects include:



Additionally, we actively seek refinancing support from Bangladesh Bank to enhance our sustainable finance capabilities. We ensure transparency and accountability by publishing Sustainability reports that provide detailed information on emission disclosure and measurable contributions to the UN SDGs. Sustainable finance continues to be a key priority for us, as reflected in our 2024 materiality assessment, highlighting its importance to our stakeholders. BRAC Bank remains committed to mobilizing capital that delivers measurable, sustainable outcomes for the communities and environment we serve.

2. Decarbonization Plan

BRAC Bank is dedicated to addressing climate-related risks and opportunities to reduce social and environmental impact. In 2024, climate considerations continue to be a top priority. The bank has developed a comprehensive decarbonization plan, approved by the board, to meet its climate-related targets, including the reduction of greenhouse gas (GHG) emissions. The plan emphasizes shifting the bank's financing towards projects and businesses that prioritise energy efficiency and carbon footprint reduction. By investing in renewable energy and promoting the adoption of green technologies, BRAC Bank aims to significantly reduce GHG emissions across its portfolio. As part of our long-term strategy, the bank is in line to set sector-specific glide paths in the coming days and emission reduction initiatives, with strategies in the upcoming days.

3. Enhancing Disclosures – (Corporate Governance and Ethics)

BRAC Bank is proud to be the first bank in the country to receive the highest ESG ratings, ranking 2nd among diversified companies in Bangladesh by Bloomberg. We are also recognised as one of the top sustainable banks by Bangladesh Bank. These accolades reflect our continuous efforts to enhance transparency and disclosure standards. In 2024, we published our second Sustainability Report, where we disclosed our total GHG emissions, endorsed

by PCAF (Partnership for Carbon Accounting Financials). Our governance framework ensures effective oversight by the Board and Senior Management, enabling prudent risk management and ensuring the ethical delivery of our business strategy. Strong governance practices foster accountability across the organization and strengthen relationships with our stakeholders.

4. Digital Transformation – (Data Privacy and Cybersecurity)

Digitization has reshaped BRAC Bank's business model, driving a technology-centric approach across its value chain. It offers substantial opportunities, such as improving client reach, streamlining transactions, and reducing operational costs, contributing to lower carbon emissions. The digital transformation also enhances accessibility, expands geographical reach, and promotes financial inclusion. The bank has introduced advanced technology across multiple platforms, including our core banking system, card management system, the 'Astha' mobile banking app, CorpNet for corporate customers, and an upgraded call centre to enhance the customer experience. Additionally, robust information security systems protect customer data, fostering trust and reliability in digital services. Various technology initiatives are underway, focused on improving infrastructure, data analytics, and resource optimization, which in turn enhance operational efficiency and contribute to energy emission reductions.

Through these initiatives, BRAC Bank is committed to driving innovation and sustainability, ensuring that our actions create a lasting positive impact for both our stakeholders and the broader community.

5. Managing Physical and Transition Risks at BRAC Bank

At BRAC Bank, addressing both physical and transition risks is central to our sustainability strategy. We evaluate the potential impacts of climate-related physical risks on our operations, including the resilience of our infrastructure to extreme weather events. Additionally, we are focused on the transition risks associated with moving to a low-carbon economy, ensuring that our financing and investment practices align with global sustainability standards.

- I. **Physical Risk:** BRAC Bank assesses the potential physical risks that may affect our assets and operations, working to ensure that our infrastructure is resilient to climate-related events. We are committed to evaluating the risks posed by climate change to our clients' operations as well, particularly in sectors vulnerable to physical impacts like agriculture, real estate, and manufacturing.
- II. **Transition Risk:** BRAC Bank actively adapts its financing strategies to support the transition to a low-carbon economy. We prioritise financing in green sectors, such as renewable energy and energy efficiency, and are committed to helping our clients transition to more sustainable practices. We ensure that we remain aligned with both national and international climate goals, including the Paris Agreement and the Bangladesh Green Finance Policy, to mitigate risks from the ongoing shift towards a more sustainable and carbon-conscious world.

Through careful management of physical and transition risks, BRAC Bank ensures that we can navigate the changing landscape of climate change while supporting our clients in their own sustainability journeys.

6. Positive Social Impact

At BRAC Bank, we are deeply committed to promoting financial inclusion with a strong focus on sustainability, transparency, and long-term value creation. Our SME portfolio, which represents nearly 50% of our total portfolio, underscores our commitment to supporting businesses that are pivotal to economic growth. By leveraging our rapidly expanding agent banking network, we ensure that both rural and semi-urban populations have access to inclusive financial solutions.

In alignment with sustainability-related financial disclosures, we offer innovative, collateral-free small-ticket loans to empower grassroots entrepreneurs, significantly

enhancing employment opportunities and contributing to socioeconomic development. Our dedication to Environmental, Social, and Governance (ESG) principles is embedded throughout our operations. We avoid financing projects that could have adverse impacts on society and the environment. From initiatives aimed at reducing carbon emissions to fostering diversity and inclusion within our workforce and board, we ensure our strategies promote long-term sustainability. A particular focus of ours is financing for women, ensuring that they have equal access to economic opportunities. Additionally, we prioritise affordable housing services to facilitate housing solutions for the broader population, aligning with our goal of socially responsible financing.

We integrate ESG principles across our green financing initiatives, human resources policies, and Board governance. This integration ensures that our decision-making processes align with the transparency and ESG-related disclosure requirements of IFRS S1. By doing so, we continue to drive positive social impact while maintaining financial resilience and accountability.

3.2. Embedding Sustainability Risks & Opportunities Across the Value Chain

BRAC Bank's sustainability strategy is integrated throughout our value chain. Sustainability and ESG considerations are central to our approach whether its managing internal operations or engaging with customers or else the wider community. In every aspect of our business and operations, BRAC Bank strives to mitigate sustainability-related risks while delivering measurable outcomes that create a positive impact for customers, suppliers, and employees.

Our conceptual model of the business value chain is outlined below. This model serves as the foundation for conducting ESG risk and opportunity analysis, ensuring that our sustainability objectives are embedded across all stages of our operations.

Upstream

Deposit

Risk and Opportunities: Upstream risks refer to potential disruptions in our ability to access capital.

Upstream activities refer to BRAC Bank's engagements with depositors and other stakeholders to raise capital. There is a relatively low concentration of sustainability-related risks upstream in the Bank's value chain, particularly with the policies and best practices followed, with increasing opportunities.

Operational

Secure operations (Supplier, Employees)

Risk and Opportunities: Operational risks in the internal

part of the value chain refer to risks that can impact the smooth functioning of everyday business

The Bank's internal operations include the activities and processes essential for delivering products and services to clients. This core part of the value chain involves key stakeholders such as employees, suppliers, and service providers. Managing risks and opportunities in this area requires adaptive strategies to ensure efficiency and effectiveness.

Downstream

Lending (Corporate, Retail, SME)

Risk and Opportunities: Downstream risks in a bank's value chain refer to the potential risks of the bank's products and services and the impact they have on the bank's balance sheet and society at large.

Downstream activities represent the deployment of capital into the economy. This is the most critical part of the Bank's value chain, where sustainability-related risks are most concentrated as deposits are utilized and market engagement increases. At the same time, downstream activities offer significant opportunities. As the economies and markets in which the Bank operates transition toward sustainability, BRAC Bank is well-positioned to support and facilitate this transformation.

Time Horizons Considered for ESG Risk and Opportunity Analysis

Society faces increasingly interconnected and complex sustainability challenges, requiring a proactive role from the banking and financial services sector in managing risks. Failure to address these challenges could undermine societal stability, stakeholder trust, and the reputation of the financial services industry.

Sustainability risks and opportunities, like other global risks, are inherently interdependent and often exhibit emerging characteristics. These risks are typically long-term in nature, acting as drivers for other risks and becoming difficult to quantify due to uncertainties surrounding their future development. While some sustainability-related risks have short-term implications, most follow medium- to long-term gestation cycles.

Recognizing these dynamics, a long-term perspective is applied in assessing sustainability-related risks and opportunities. This approach aligns with the Bank's corporate and strategic planning horizons, ensuring that sustainability considerations are integrated into strategic decision-making and prioritization. By adopting this approach, BRAC Bank can navigate the evolving sustainability landscape and drive long-term value creation.

Short, medium and long-term planning horizons used for strategic decision-making.

BRAC Bank's definitions of short, medium, and long-term are closely aligned with its strategic decision-making and planning horizons.

Short-Term

In this period, the focus will be on advancing sustainable financing and meeting Bangladesh Bank's targets, alongside integrating Environmental and Social Risk Management (ESRM) and Environmental and Social Due Diligence (ESDD) into all business financing processes. Immediate efforts will prioritise improving energy efficiency within internal operations to meet sustainability objectives, while embedding ESG criteria into day-to-day decision-making.

Medium-Term

BRAC Bank aims to strengthen its position as a leader in sustainable banking, dedicating a substantial portion of its financing to green and environmentally sustainable projects. This period will see a further deepening of sustainable finance initiatives, with a focus on transformative projects, such as integrating renewable energy sources like solar power into operations. Gender inclusion within the workforce and aligning the governance structure with sustainability principles will also be key priorities.

Long-Term

The bank's long-term strategy includes implementing a decarbonization plan approved by the board and achieving a balanced gender ratio across its organization. The bank will aim to establish itself as the country's foremost sustainable bank, with ongoing efforts to maintain ESG integration in all operations, ensuring climate resilience and sustainability for the future.

3.3. Proactive Approach to Managing Sustainability-Related Risks & Opportunities Across Our Value Chain:

This section outlines the analysis of sustainability-related risks and opportunities across the value chain, focusing on their potential impact on access to finance and the cost of capital over the short, medium, and long term. This assessment is informed by the three key enterprise risks and opportunities identified; they are-

1) Assessment and Management of Upstream Risk & Opportunities:

Upstream risks refer to potential disruptions in the ability to access capital. BRAC Bank relies on a stable deposit base for capital and employs robust strategies to maintain depositor confidence. Internal processes are designed to strengthen trust, ensure liquidity, and support continued

access to funds. For this, we have a robust mechanism as followed:

- I. BRAC Bank rigorously reviews its regulatory compliance processes to ensure alignment with all relevant laws, guidelines, and industry standards.
- II. The bank remains committed to the highest standards of business ethics and corporate governance, fostering transparency, accountability, and sustainable growth.
- III. With a well-defined ESG roadmap, BRAC Bank provides regular performance updates to uphold transparency and accountability.

These mechanisms help mitigate emerging corporate governance risks that could undermine stakeholder trust, minimizing vulnerabilities in the upstream segment of the value chain. By embedding these principles, BRAC Bank continues to build trust and credibility with upstream stakeholders.

Furthermore, the Bank's strategy for deposit mobilization presents unique opportunities. Maintaining strong relationships with depositors and ensuring financial stability allow BRAC Bank to sustain its growth while upholding its commitment to sustainability.

Unlike institutions that raise capital through various financial instruments, BRAC Bank primarily relies on customer deposits. The Bank ensures responsible fund management by aligning its financial strategies with long-term sustainability goals, supporting inclusive economic growth, and fostering responsible banking practices.

2) Assessment and Management of Risks & Opportunities in Internal Operations

Sustainability-related operational risks can significantly impact BRAC Bank's ability to function effectively. The Bank's approach to managing these risks includes the following:

a. Managing Employee Engagement

At BRAC Bank, prioritizing the aspirations, needs, and concerns of employees is essential. The Bank is committed to fostering an inclusive workplace that emphasizes employee development, well-being, fairness, and equal opportunity. By maintaining a supportive and positive work environment, BRAC Bank aims to enhance productivity, reduce attrition, and promote long-term workforce development.

To support this, several initiatives were undertaken in 2024:

- 🌱 **Annual Employee Well-being:** Comprehensive training and seminars covering skill development, motivation, wellness, and safety was conducted, resulting in a high employee engagement score.





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- **Employee Engagement:** Regular initiatives are implemented to align organizational objectives with employee aspirations and recognise collective achievements.
- **Talent Development:** The Bank focuses on attracting and nurturing talent at all levels, ensuring employees feel valued and supported.
- **Learning & Development:** Continuous learning opportunities, including tailored training programmes, leadership development workshops, and upskilling initiatives, are provided to help employees grow in their careers.
- **Benefit Offerings:** A competitive benefits package ensures employees maintain a balance between their professional and personal well-being.

b. Commitment to Diversity and Inclusion

BRAC Bank is dedicated to fostering diversity and inclusivity across its workforce. Key initiatives include:

- **Gender Representation:** Ensuring an equitable workplace with opportunities for female leadership.
- **Fair Compensation Practices:** Regular internal pay assessments are conducted to maintain fairness and equity.
- **Transparency in Reporting:** There is no gender pay gap and diversity data are continuously monitored and discussed internally to track progress.
- **Diversity and Inclusion Training:** Programmes aimed at eliminating unconscious bias and promoting a culture of meritocracy are provided to all employees.

This comprehensive approach helps BRAC Bank strengthen its internal operations, ensuring sustainability-related risks are effectively managed while creating a thriving and inclusive workplace.

c. Corporate Governance and Ethics

Robust corporate governance is fundamental to BRAC Bank's ability to manage a wide range of sustainability and climate-related risks and opportunities. The Bank's governance structure is designed to ensure accountability and expertise at every stage of the decision-making process, both within and beyond sustainability considerations. Oversight and approval mechanisms guide each decision, helping to maintain strong financial performance, uphold the Bank's reputation, and preserve stakeholder confidence, including that of customers, partners, and regulators.

The Bank's approach to ethics is embedded within its policies and procedures, which guide decision-making across the corporate governance framework. These include:

- **Code of Conduct:** Outlines measures for addressing and mitigating corruption, bribery, conflicts of interest, anti-trust practices, and money laundering.
- **Whistleblower Programme:** Encourages transparency and ethical conduct while minimizing the risks of financial penalties.

By upholding these governance and ethical standards, BRAC Bank fosters a culture of integrity, accountability, and responsible banking.

d. Managing the Risks Associated with Data Security

Data security and privacy are critical considerations for all operations at BRAC Bank. Inadequate risk management frameworks and non-compliance with regulatory requirements can lead to operational disruptions, loss of customer trust, legal and regulatory challenges, financial losses, and reputational damage.

To mitigate data security and privacy risks, BRAC Bank has implemented a comprehensive strategy that includes:

- **Alignment with Industry Standards:** Information Security and Cybersecurity strategies are aligned with globally recognised frameworks, ensuring robust protection.
- **Regulatory Compliance:** Adherence to evolving global security and data privacy regulations, including ISO 27001 standards, to maintain best practices in data protection.
- **Regular Audits:** Internal and independent audits to assess and enhance security measures.
- **Employee and Customer Education:** Ongoing training programmes for employees and awareness campaigns for customers to mitigate cybersecurity threats. A mandatory course on the bank's e-learning platform ALO has introduced to make aware of data security and cybersecurity for all our employees.

3) Assessing and Managing Downstream Risk & Opportunities

The mobilization of capital in the economy through its products and services is at the core of BRAC Bank's operations. The Bank recognises that the most significant sustainability-related risks and opportunities are closely tied to its core business activities.

All products and services offered by BRAC Bank are aligned with its overarching sustainability strategy to create a positive impact on the markets and communities in which it operates. By integrating responsible banking practices, the Bank ensures financial inclusion, economic growth, and long-term value creation for society at large.

Leveraging Business Through Retail, SME, and Corporate Banking

BRAC Bank has strategically developed a comprehensive banking network to effectively serve diverse customer segments across the country. Through its well-established branch network, the bank ensures seamless access to financial services for retail customers, catering to their individual banking and financial needs with efficiency and convenience.

As a market leader in SME banking, BRAC Bank has successfully utilized its extensive SME field force to drive financial inclusion, empower entrepreneurs, and support small businesses. The bank remains committed to expanding access to finance, particularly for women-led enterprises, fostering economic empowerment and sustainable growth.

The Corporate Banking division plays a crucial role in delivering competitive financial solutions to businesses of all sizes. By offering tailored banking products and competitive market rates, BRAC Bank strengthens its position as a key enabler of corporate growth, supporting the broader economic development of the country.

Exploring Downstream Opportunities Through Sustainable Finance

Financial institutions shape markets by integrating sustainability into funding strategies, driving responsible development. BRAC Bank prioritises financial inclusion, SME financing, and environmentally and socially impactful projects. Though it raises capital through deposits, the Bank ensures its lending aligns with sustainable goals. By evaluating fund allocation to responsible projects, BRAC Bank reinforces its commitment to long-term economic resilience and responsible banking.

3.4. Strategic Decision-Making for Sustainability Integration

BRAC Bank integrates environmental and social considerations into its strategic decision-making processes, ensuring sustainability is embedded within its corporate structure.

Managing Trade-Offs in Strategic Decision-Making

Trade-offs between sustainability-related risks and opportunities are carefully assessed across various decision-making bodies within the Bank. Policies and frameworks guide business activities to ensure financial decisions align with responsible banking principles.

BRAC Bank's lending strategy is firmly rooted in financial inclusion, SME development, and the principles of environmentally and socially responsible banking. The Bank meticulously assesses the advantages and potential adverse consequences of its financing decisions to ensure they do not contribute to environmental or social harm. It adheres to a strictly board-approved exclusion list that governs its financing activities. Furthermore, the

Bank conducts comprehensive Environmental and Social Due Diligence (ESDD) on every business loan, ensuring that its financing remains ethically sound and free from detrimental impacts.

BRAC Bank's overall strategy reflects a strong commitment to sustainability in risk management and decision-making. The Bank's policies, governance structure, and operational risk framework foster a culture of responsible banking that balances financial performance with long-term environmental and social considerations.

3.5. Assessing the Current and Future Impact on Financial Performance

Environmental, Social, and Governance (ESG) Risk

The rapidly evolving global landscape, marked by climate change and shifting stakeholder expectations, requires a proactive approach to ESG. BRAC Bank continuously refines its ESG strategy to align with both regional and global standards, ensuring that material ESG risks are effectively managed. While BRAC Bank primarily raises capital through deposits rather than investments, it remains committed to providing stakeholders with a clear understanding of sustainability-related risks and opportunities.

For the current reporting period, BRAC Bank focuses on qualitative disclosures and standalone financial metrics that offer valuable insights into the financial impact of sustainability initiatives. This cautious approach ensures that all shared information is meaningful and reliable.

Current and Anticipated Impact of Sustainable Finance Activities

BRAC Bank integrates sustainability into its lending strategy by prioritizing financial inclusion, SME support, and responsible banking practices. The Bank's commitment to sustainable finance ensures that its loan portfolio aligns with long-term economic resilience and social impact.

While BRAC Bank does not issue sustainable finance instruments such as green bonds till now, its lending activities contribute directly to economic growth by supporting businesses that drive positive societal change. The focus on SME lending, women entrepreneurs, and underprivileged communities leads to enhanced economic participation, improved financial stability, and long-term profitability.

By embedding sustainability into its core business activities, BRAC Bank strengthens its financial performance through improved cash flows, reduced risk exposure, and increased customer trust, positioning itself as a responsible and forward-thinking financial institution.





3.6. Resilience through Sustainable Practices

BRAC Bank recognises that its commitment to sustainability provides long-term benefits for both the communities it serves and the bank itself. By aligning its sustainability strategy with core values, BRAC Bank enhances resilience, strengthens its balance sheet, and creates opportunities for sustainable growth.

The bank's governance framework promotes diversity, ethical business conduct, and skills development, ensuring a solid foundation for long-term success. Internal policies that emphasize inclusivity and diversity enhance adaptability and broaden perspectives, facilitating effective change management. A strong code of conduct reinforces integrity and professionalism, while supplier engagement policies ensure alignment with ethical and responsible business practices. These measures protect BRAC Bank's reputation and strengthen stakeholder confidence.

While BRAC Bank focuses on responsible lending practices that support financial inclusion and economic development. By prioritizing SME financing, women entrepreneurs, and underprivileged communities, the bank ensures that its lending portfolio aligns with long-term sustainability objectives.

Looking ahead, BRAC Bank aims to further enhance environmental and social considerations into its operational strategy. By continuously assessing the financial implications of sustainability-related risks and opportunities, the bank reinforces its resilience and commitment to long-term value creation for all stakeholders.

3.7. Navigating Climate Risks: Approach to Physical and Transition Challenges

Climate-induced changes that are pervasive in nature are expected to aggravate financial impacts.

Physical Risks of Climate Change

Climate change presents significant physical risks, which can be categorized into acute (event-driven) and chronic (long-term shifts) risks. These risks have financial implications, including stranded assets, decreased property valuations, lack of insurance coverage, damage to production facilities, and disruptions to supply chains.

BRAC Bank operates only in Bangladesh, and we cannot deny that climate challenges persist, particularly concerning rising temperatures, flooding, and water scarcity. The bank acknowledges the potential for climate-related disruptions to affect its customers, particularly in industries reliant on agriculture, infrastructure, and energy.

Key Climate Risks in Bangladesh

➤ **Increased Frequency of Flooding:** Bangladesh is

highly vulnerable to flooding due to monsoon rains, rising sea levels, and cyclonic storms, which pose risks to businesses, housing, and infrastructure.

➤ **Cyclones and Extreme Weather Events:** Coastal areas face recurring cyclones that lead to asset damage, displacements, and financial instability for affected communities.

➤ **Water Scarcity and Salinity Intrusion:** Rising sea levels contribute to salinization of freshwater sources, impacting agricultural productivity and access to clean drinking water. Moreover, in the western and northern part of the country a common natural phenomenon is drought which leads to asset damage.

➤ **Heat Stress and Energy Demand:** Rising temperatures increase energy consumption for cooling, straining power grids and raising operational costs for businesses.

BRAC Bank's Strategy to Physical Risk Mitigation

To assess and manage physical climate risks, BRAC Bank plans to implement a structured approach across several phases:

➤ **Phase 1** – Conducting climate data assessments to project future risk scenarios based on current and anticipated climate trends.

➤ **Phase 2** – Evaluating the impact of physical risks on operational sites and assets to ensure business continuity.

➤ **Phase 3** – Integrating climate resilience into operational planning, considering safety, cost, and productivity impacts.

➤ **Phase 4** – Incorporating financial impact modelling into strategic decision-making to quantify potential asset risks and support informed investment decisions.

By proactively addressing these physical risks, BRAC Bank aims to strengthen its resilience against climate-related challenges while supporting its customers in navigating sustainability transitions.

Transition Risk: Managing the Shift to a Low-Carbon Economy

Climate Transition Risk arises as economies move from fossil fuel-based systems to low-carbon, sustainable practices. This shift is influenced by regulatory changes, technological advancements, market trends, and evolving consumer preferences.

While the advanced world faces challenges like carbon pricing, energy diversification, and shifting consumer demand, Bangladesh is also navigating similar transition

risks, particularly in sectors reliant on fossil fuels, energy-intensive industries, and finance.

Key Climate Transition Risks for Bangladesh & BRAC Bank

1. Regulatory and Policy Changes:

- The government may introduce stricter environmental regulations, carbon pricing, or emissions reduction targets, affecting businesses with high carbon footprints.
- Compliance costs may rise for companies that fail to adopt greener practices, impacting their profitability and creditworthiness.

2. Energy Sector Transition:

- The shift towards renewable energy could reduce reliance on fossil fuels, impacting businesses and industries dependent on traditional energy sources.
- Companies that fail to integrate cleaner technologies risk financial instability, affecting their ability to secure financing.

3. Consumer Demand for Sustainable Products & Services:

- Growing awareness of environmental concerns is increasing demand for eco-friendly banking products, such as green loans and sustainability-linked bonds.
- Businesses that fail to adapt to sustainable supply chains may struggle to remain competitive, leading to credit risks.

4. Stranded Assets & Financial Implications:

- Investments in fossil fuel-heavy industries (e.g., coal, gas, and non-renewable infrastructure) may lose value as Bangladesh accelerates its transition to renewable energy.
- Lending portfolios with exposure to high-carbon industries may face increased default risks due to declining asset values and stricter regulations.

BRAC Bank's Strategy to Manage Transition Risk

To mitigate transition risks, BRAC Bank is taking a proactive approach by:

- Aligning lending policies with sustainable finance principles to reduce exposure to carbon-intensive sectors.
- Developing green financial products, including green bonds, renewable energy loans, and sustainability-linked credit facilities.
- Assessing and stress-testing climate risks in its

portfolio to identify vulnerabilities and adjust investment strategies.

By embedding climate-conscious decision-making into its risk management framework, BRAC Bank ensures resilience against evolving regulatory, economic, and environmental landscapes.

3.8. Impact Across Business and Value Chain

BRAC Bank acknowledges that climate transition risks could significantly impact its business model, lending portfolio, and overall financial performance. To proactively address these challenges, the bank is implementing structured risk assessment frameworks and data-driven decision-making processes.

1. Transition Risk Stress Testing

- BRAC Bank is assessing its credit exposures to sectors that are highly vulnerable to climate transition risks, including energy, manufacturing, and transportation.
- The analysis evaluates short, medium, and long-term time horizons measure the financial implications of carbon-intensive industries.
- In future, stress testing results will be integrated into the bank's Risk Appetite Statement, which will outline its strategic approach to managing transition risks.
- Based on insights that will be gained, BRAC Bank will gradually phasing out financing for high-emission sectors and prioritizing lending to companies adopting sustainable business models in future.
- The bank also considers clients' sustainability strategies when making financing decisions, such as supporting businesses transitioning to low-carbon operations.

2. Emissions Tracking and Monitoring

- BRAC Bank is enhancing its GHG emissions tracking efforts to improve data accuracy and better understand its environmental footprint.
- The bank is also assessing financed emissions, estimating the carbon impact of investments in specific sectors.
- Insights gained from emissions tracking inform the bank's sustainability-linked finance initiatives, ensuring that its lending activities contribute to long-term environmental goals.

Future Integration of Climate Risk Data

- BRAC Bank aims to incorporate climate risk data into quantitative risk models, helping refine credit risk assessments for carbon-intensive industries.
- Findings from stress testing and emissions tracking will be embedded into formal decision-making processes,

ensuring that sustainability is a key consideration in risk evaluation and portfolio management.

By embedding transition risk considerations into its risk management framework, BRAC Bank strengthens its resilience against climate-related financial challenges while fostering sustainable economic growth in Bangladesh.

3. Physical Risk Assessment and Management

BRAC Bank recognises that physical climate risks—both acute (event-driven) and chronic (long-term shifts)—pose potential threats to its financial stability. These risks could impact counterparties, lending portfolios, and the broader financial system. To mitigate these risks, the bank will adopt a structured climate risk assessment framework.

I. Geo-Spatial Risk Analysis

- The bank acknowledges the challenge of assessing physical risk exposure due to limitations in geo-spatial data. Many counterparties' location details are aggregated, lacking precise operational site information.
- BRAC Bank is working towards enhancing location-based risk assessments by integrating publicly available climate risk maps, flood zone data, and regional climate projections.

II. Key Physical Risk Drivers

BRAC Bank has identified major physical risk factors that could impact financial systems, including:

- **Extreme Weather Events:** Increased frequency of floods, cyclones, and rising temperatures could damage assets, disrupt businesses, and affect loan repayment capacity.
- **Sea Level Rise:** Coastal areas in Bangladesh face infrastructure damage, land degradation, and loss of economic activity, affecting businesses and mortgage portfolios.
- **Drought and Water Scarcity:** Agricultural and industrial sectors may face production declines, impacting borrowers reliant on these industries.

III. Climate Risk Data Integration

- BRAC Bank plans to incorporate historical and predictive climate data into its risk evaluation models to assess the probability and financial impact of physical risks.
- Future assessments will include scenario-based stress testing, considering various climate pathways (e.g., a 2°C or 4°C temperature rise).
- The bank is exploring collaborations with climate data providers to improve the accuracy of physical risk indicators.

IV. Enhancing Risk Resilience

- The bank aims to integrate physical risk factors into its credit risk assessment framework, ensuring that vulnerable borrowers receive targeted risk mitigation support.
- Strengthening insurance-linked risk transfer mechanisms (e.g., climate risk insurance) will help reduce financial shocks from climate-related disasters.
- Internal business resilience planning will incorporate climate adaptation strategies, ensuring sustainable operations despite environmental disruptions.

By embedding climate physical risk considerations into its lending and investment decisions, BRAC Bank enhances its ability to withstand climate shocks, ensuring long-term financial and environmental sustainability.

Opportunities in Climate-Related Finance

BRAC Bank acknowledges that while climate change introduces risks, it also presents significant business opportunities in sustainable finance. The bank is committed to leveraging these opportunities to drive long-term financial and environmental sustainability.

i. Climate-Related Business Growth Potential

- BRAC Bank believes that climate-related opportunities will outweigh any business reductions stemming from climate mitigation policies.
- The bank is exploring ways to align its business with Bangladesh's national sustainability goals, supporting carbon reduction, energy efficiency, and green finance initiatives.

ii. Sustainable Finance Commitments

- BRAC Bank is expanding its role in green and sustainable financing, aligning with global and regional sustainability frameworks.
- The bank aims to scale up sustainable finance provisions, supporting projects that drive the transition to a low-carbon economy and provide societal benefits.
- The successful development of a Sustainable Finance Framework enables the issuance of green bonds, sustainability-linked loans, and other impact-driven financial products.

iii. Green, Social or Sustainability Bond Issuance & Investment Strategy

- BRAC Bank is exploring opportunities to launch green financial instruments to fund renewable energy, infrastructure resilience, and social impact projects.

- The bank plans to enhance ESG investment screening to support environmentally responsible businesses and borrowers.

iv. Positioning for the Future

- By embedding sustainability into its core business strategy, BRAC Bank strengthens its market position as a leader in sustainable finance in Bangladesh.
- Future plans include partnerships with development finance institutions, government-led climate funds, and private sector investors to expand green financing solutions.
- The bank will also work towards quantifying and reporting the financial impact of climate-related opportunities, ensuring transparency for stakeholders.

By integrating sustainability into its financial ecosystem, BRAC Bank positions itself as a key enabler of Bangladesh's climate resilience efforts, contributing to both economic growth and environmental stewardship.

3.9. Strategic Impact of Climate Risks on BRAC Bank's Decision-Making

BRAC Bank acknowledges that climate change poses both risks and opportunities for the financial sector. The bank is committed to integrating climate considerations into its strategic decision-making to ensure resilience and long-term sustainability.

1. Strategic Approach to Climate Change

- Recognizing the growing financial and regulatory risks associated with climate change, BRAC Bank is proactively aligning its strategies with Bangladesh's climate action commitments.
- The bank is committed to reducing operational emissions, managing financed emissions, and supporting clients in their transition to a low-carbon economy.
- Climate risks are embedded into corporate governance, lending policies, and risk assessment frameworks to ensure informed decision-making.

2. Key Focus Areas

- **Climate Risk Management:** BRAC Bank is developing a framework to assess climate risks in its loan portfolios, focusing on high-risk sectors like agriculture, energy, and infrastructure.
- **Portfolio Decarbonization:** The bank aims to align its financing activities with Bangladesh's Nationally Determined Contributions (NDCs) and global sustainability goals.
- **Supporting Green Finance:** Investments in sustainable energy, carbon reduction projects, and eco-friendly businesses are being prioritised.

3. Planned Initiatives

- **Sector-Specific Climate Risk Analysis:** Conduct detailed climate risk assessments across key industries and adjust lending strategies accordingly.
- **Clear Climate Targets:** Set interim milestones for reducing financed emissions, ensuring alignment with Bangladesh's carbon neutrality ambitions.
- **Governance Enhancements:** Strengthen internal governance structures to ensure accountability in achieving climate-related commitments.
- **Capacity Building:** Promote climate awareness among employees, clients, and key stakeholders to foster an ecosystem of sustainable decision-making.

Through these actions, BRAC Bank is positioning itself as a leader in sustainable finance, ensuring that climate-related risks are proactively managed while maximizing new business opportunities in the green economy.

Financial Effects of Climate-Related Risks and Opportunities

BRAC Bank acknowledges the potential financial impact of climate-related risks and opportunities. While no immediate financial effects are reported, ongoing assessments aim to identify risks affecting credit exposure, asset valuation, and operational stability.

The bank integrates climate risk into its broader risk management framework, with oversight from the Board of Directors and regular updates from the Executive Committee. Climate-related financial impacts will be incorporated into accounting judgments, provisioning, and loan pricing strategies.

RISK MANAGEMENT

4.1 Overview

As a financial institution, BRAC Bank is exposed to a wide range of financial and non-financial risks across its value chain, with ESG and climate-related risks being key components of these. These risks differ in terms of their concentrations, degrees, and intensities, and can have varying impacts on BRAC Bank's operations and business. The Bank's overall approach to risk management is outlined in the Risk Management Framework, Risk Appetite Statements, and other relevant policies and frameworks. At BRAC Bank, ESG and climate risks are seamlessly integrated into existing risk management processes across the organization. This section of the report provides an overview of how these sustainability-related risks are managed, along with the policies and procedures that guide the sustainability risk management approach. Moreover, within this broader category of sustainability risks, the bank specifically addresses its strategy for managing climate-related risks. These risks are pervasive across all aspects of the value chain and can directly affect multiple portfolios and business activities of the Group. In response to the growing importance of climate risk disclosures for stakeholders such as investors, lenders, and creditors, BRAC Bank has dedicated a section to its approach to climate-related risk management, in compliance with the IFRS S2 standards.

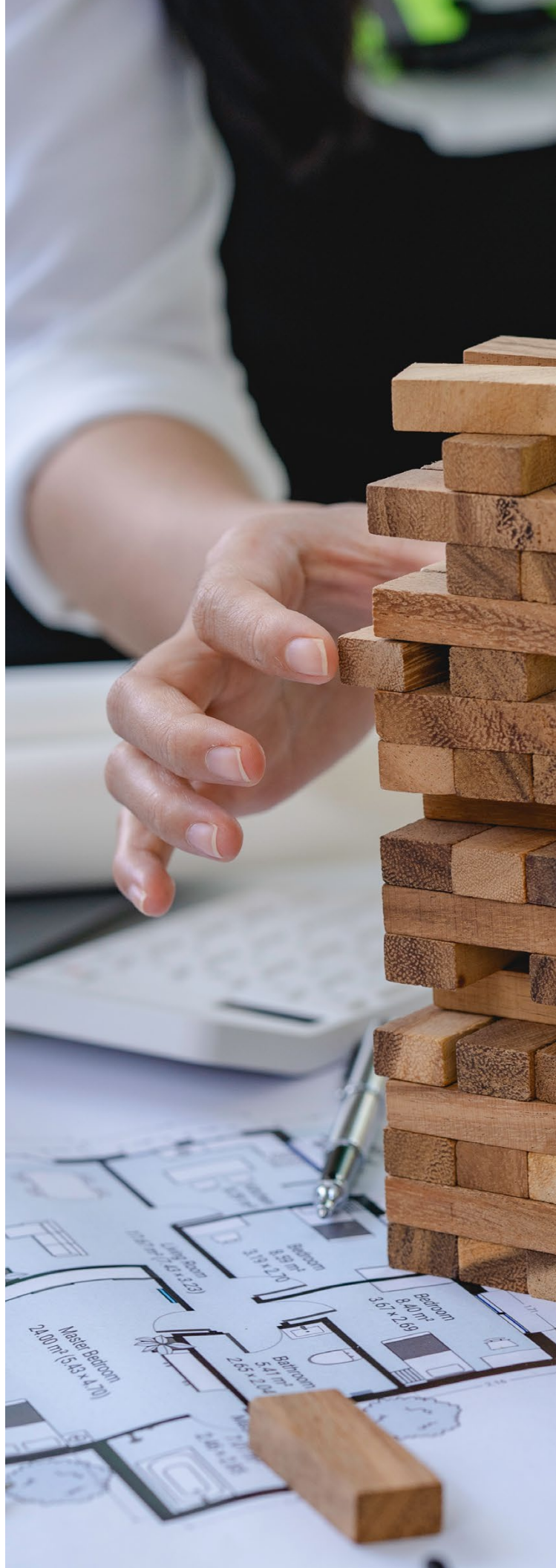
4.2. Upstream Sustainability Risk

The Compliance team at BRAC Bank plays a crucial role in supporting Senior Management in designing, implementing, and overseeing a comprehensive framework to effectively manage and mitigate all compliance risks, including upstream risks. The Bank has established a robust anti-money laundering (AML) policy that is regularly updated in response to evolving regulations and market conditions. Furthermore, continuous enhancements have been made to the Bank's mandatory AML and Sanctions Compliance training programmes. These updates ensure that the content aligns with the latest regulatory requirements and is tailored to meet the specific needs of the Bank's various business functions, considering the roles of both customer-facing and non-customer-facing staff.

4.3. Risks Management Across Internal Operations

I. Managing risks associated with employee satisfaction, workplace wellbeing:

At BRAC Bank, employee welfare is a top priority, ensuring a safe and supportive working environment.





The Bank offers health and wellness programmes, including mental health support, health screenings, and comprehensive insurance coverage. Regular fire safety training and wellness initiatives are in place to maintain strict health and safety standards. BRAC Bank enforces a zero-tolerance policy on discrimination and harassment, backed by mandatory training and a "Speak Up" policy that encourages reporting unethical behaviour. The Bank invests in professional development through educational partnerships and leadership programmes, while assistive technologies foster inclusivity. These measures ensure a resilient, inclusive, and supportive work environment focused on employee well-being and growth.

II. Managing risks associated with Information Security & Privacy:

BRAC Bank utilizes real-time data to efficiently serve customers and manage operations. Accurate, timely data is essential for effective service delivery, operational efficiency, and regulatory compliance. We prioritise the confidentiality of non-public data and adhere to strict data privacy and cross-border data movement regulations.

The Bank is committed to maintaining the highest standards of service quality and security for all internal and external users. Cybersecurity is an integral part of our overall defensive strategy to ensure responsible banking operations. As the first financial institution in Bangladesh to implement an Enterprise Vulnerability Management System, we have a fully functional Information Security Division, staffed with qualified and certified personnel to manage cybersecurity governance and controls, safeguarding both the Bank and our clients' assets and information.

Our strategy combines architecture, technology, tools, policies, and processes to prevent, detect, respond to, and recover from cyber threats swiftly. Recognizing that security threats are ongoing, we continue to prioritise the highest level of information security. The Bank has achieved multiple certifications to enhance data integrity and security, including PCI-DSS (Payment Card Industry Data Security Standard), ISO 27001 (Information Security Management System), ISO 18788:2015 (Management System for Private Security Operations), and SWIFT Customer Security Programme (CSP) certification.

III. Operational Risk management:

Operational resilience at BRAC Bank refers to our ability to maintain critical operations during disruptions. This capacity enables the Bank to identify and protect itself from potential threats, respond to and adapt to challenges, and recover while minimizing the impact of disruptions on essential services. Climate risk is a key driver in our operational resilience strategy, ensuring that we account for both the impact of climate-related events and their potential effects on our operations. These impacts could

affect our properties, IT systems, employees, and third-party suppliers.

To reduce operational disruption risks, we assess the resilience of our properties, with a focus on offices, data centres and branch networks, to physical risks. Our governance structure supports distinct business continuity plans, which include regular exercises and drills to ensure effective response and recovery in the event of disruptions.

BRAC Bank regularly conducts Business Continuity Drills to evaluate the effectiveness of our contingency plans, particularly the resilience of key people, processes, and systems during emergency situations. This ensures that we can adapt, recover, and continue delivering critical operations, even in the face of adversity.

4.4. Downstream Sustainability Risks

BRAC Bank has a robust credit risk management framework aligned with IFRS S1 and S2 standards, ensuring that credit risks are assessed, transparent, and controlled in line with the Bank's risk appetite and policies. Our second-line control process independently monitors and oversees credit risk management to maintain asset quality. In 2024, despite global economic challenges, the Bank maintained a Non-Performing Loan (NPL) ratio of below 3%, well below the industry average of over 9.00%.

The Board oversees credit risk, with SME and wholesale lending managed both at the portfolio and individual levels, and retail lending handled as a portfolio across multiple segments. We have strong front-end and back-end systems to ensure credit quality and minimize defaults. Retail loans are assessed based on factors such as income and credit history, while wholesale loans are managed with exposure limits, diversification, and rigorous approval processes.

Incorporating climate-related considerations into our credit risk management, we assess the impact of climate change on customer outlook, sectors, and asset valuations, ensuring that our credit strategy remains aligned with sustainability goals and regulatory requirements.

4.5. Environmental and Social Risk Management:


BRAC Bank employs a comprehensive Environmental and Social Risk Management (ESRM) framework to integrate sustainability and climate-related risks into its overall


risk management processes. This framework covers both quantitative data, such as waste management and recycling efforts, and qualitative factors, including the evaluation of issues like forced labour, child labor, and other critical assessments.

All business loans are first screened through an exclusion list to identify potential risks, followed by an Environmental and Social Due Diligence (ESDD) process to ensure that each loan meets the Bank's sustainability and risk management standards. This approach ensures that BRAC Bank's operations align with its commitment to responsible lending and sustainability. In alignment with the IFRS S1 and S2 frameworks, risk parameters within the Environmental and Social Risk Management (ESRM) system are calibrated on a scale of 1 to 100. This allows for the classification of risks into low, medium, or high categories, ensuring that risks are appropriately quantified and prioritised.

4.6. Climate Risk Management:

The integration of climate-change related risks into BRAC Bank's existing risk management frameworks reflect a structured approach to addressing the transition and physical risks, which are evolving in nature.

 **Physical risk management:** To evaluate physical risks, the bank utilizes a Climate Vulnerability Index (CVI) alongside geographical location analysis, considering the specific climate-related vulnerabilities inherent to each region. This allows the bank to assess the potential impacts of climate-related physical risks on its operations and investments.

 **Transition risk management:** For transition risks, the bank conducts detailed greenhouse gas (GHG) emission calculations across all sectors in its portfolio. Sector-based emission analysis is utilized to identify the highest-emitting sectors, thereby enabling the identification and evaluation of the bank's transition risk exposure. Special focus is placed on the top 10 highest-emitting sectors to assess the level of transition risks in the portfolio, providing a clear view of potential impacts and ensuring the bank is well-prepared for the evolving climate landscape.

This approach ensures that the bank meets the disclosure requirements under IFRS S1 and S2 while effectively managing climate-related risks across its operations.

METRICS:

Measuring Our Climate Impact

5.1 Introduction

In today's business environment, sustainability and environmental responsibility are key drivers of organizational success. The measurement and reduction of carbon footprints have become critical in the fight against climate change. Achieving Net Zero requires a deep understanding of current emissions and a strategic approach to reduce them through targeted investments and operational practices.

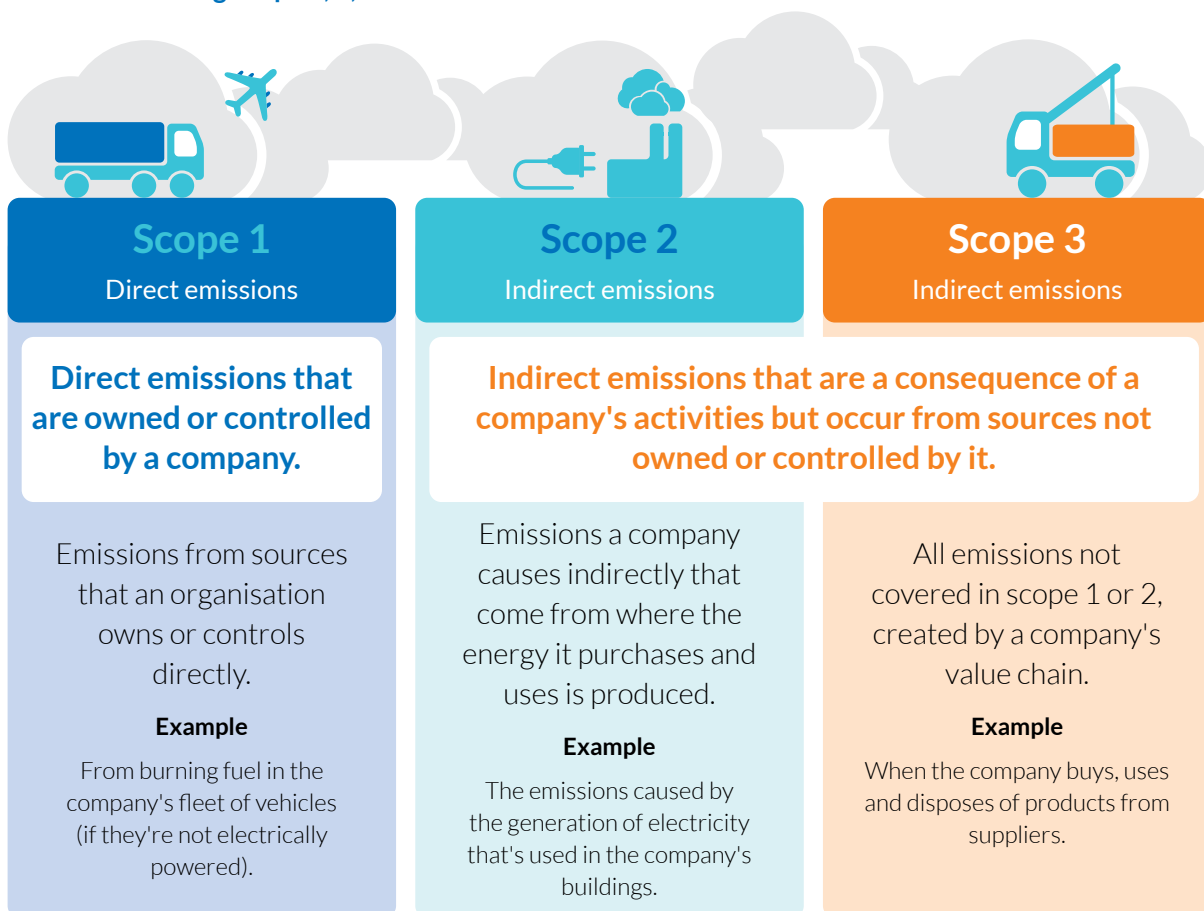
As part of our commitment to advancing sustainability in Bangladesh, BRAC Bank began calculating its Greenhouse Gas (GHG) emissions from its business loan portfolio (Scope 3) and included this information in the 2022 Sustainability Report. In 2023, we expanded our GHG emissions reporting to cover a wider scope, incorporating internal emissions (Scopes 1, 2, and 3), as well as financed emissions, which include home and car loans (Scope 3). This comprehensive reporting reflects our ongoing

commitment to integrating sustainability throughout our operations and financing activities. For this year, we have continued with the same approach, disclosing all scopes (1, 2, and 3), including financed emissions (category 15), in line with sustainability and climate-related financial disclosure guidelines. This information will also be included in our upcoming Sustainability Report.

5.2 Carbon Footprint

The growing urgency of addressing climate change highlights the need for comprehensive understanding and management of carbon footprints. A carbon footprint represents the total amount of greenhouse gases—primarily carbon dioxide—emitted by an individual, organization, or product throughout its lifecycle. Measuring the carbon footprint is a vital step in assessing an organization's impact on global warming, guiding decision-making in sustainability initiatives and emission reduction efforts.

5.3 Understanding Scope 1, 2, & 3 Emissions



Direct Greenhouse Gas Emissions

Scope 1: Emissions directly released into the atmosphere from sources owned or controlled by the organization. Direct GHG emissions are principally the result of the following types of activities undertaken by the departments and facilities of BRAC Bank:

- Generation of electricity, heat, or steam. These emissions result from the combustion of fuels in stationary sources (e.g., boilers, generators, etc.).
- Transportation of materials, products, waste and employees. These emissions result from the combustion of fuels in company owned/controlled mobile combustion sources (e.g. company owned cars)
- Fugitive emissions. These emissions result from intentional or unintentional releases of hydrofluorocarbon (HFC) and Perfluorocarbons (PFCs) emissions during the use of refrigeration and air conditioning equipment.

Indirect Greenhouse Gas Emissions

Scope 2: Emissions from the consumption of purchased electricity, heat, steam, or cooling. For BRAC Bank only the purchased electricity emission fits in the scope 2 emissions disclosure.

Scope 3: Encompasses emissions from activities not directly controlled by the organization but linked to its value chain. The indirect emissions refer to the greenhouse gas emissions that occur because of activities associated with the organization's value chain but are not directly controlled or owned by the organization. And the financed emission is the indirect emission that occurs due to financing activities. These emissions are typically indirect but are still a consequence of the organization's operations. Scope 3 emissions can be categorized into several key areas, including:

- **Purchased Goods and Services (Category 1):** Emissions from the production and transport of goods and services purchased by the organization. This includes the carbon footprint of raw materials, equipment, and any outsourced services.
- **Upstream and Downstream Transportation and Distribution (Category 4):** Emissions resulting from the transportation and distribution of products and services, both upstream (supplier transportation) and downstream (distribution to customers).
- **Employee Business Travel and Commuting (Category 7):** Emissions from employee travel for business purposes (flights, car travel, etc.) and daily commuting to and from work.

- **Waste Disposal and Treatment (Category 5):** Emissions from the treatment and disposal of waste generated by the organization's operations, including landfill emissions, recycling, and other waste management activities.

- **Financed Emission (Category 15):** Financed emissions refer to the greenhouse gas emissions associated with the financial products provided by an organization, specifically those related to investments, loans, and other financial services. These emissions are indirect but significant, arising from the activities financed by the organization's investments and loans.

5.4 Baseline Recalculation Procedure

BRAC Bank will disclose any significant changes that trigger the recalculation of base-year (2023) financed emissions, in line with our commitment to ensuring consistency, comparability, and relevance of the GHG emissions data reported over time. Significant changes that may trigger recalculation in BRAC Bank's disclosure if data quality improves in future or country specific factors are introduced.

5.5 Internal Emissions

For internal operations, BRAC Bank follows established greenhouse gas accounting principles that align with ISO 14064-2006 and PAS 20504, developed in collaboration with BSI, DEFRA, and the Carbon Trust. The calculation of our internal carbon footprint is based on The Greenhouse Gas Protocol (Corporate Standard), 2001. This protocol was developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD) to establish a standardized methodology for organizations to account for and report GHG emissions

5.6 GHG Calculation Methodology

BRAC Bank calculates GHG emissions based on two key standards: the PCAF Global GHG Accounting Standards for financed emissions and the Greenhouse Gas Protocol (GHG Protocol) for internal emissions. For the GHG calculations of 2024, we have continued to use the "Emerging Economies" database to assess emissions from Business Loans and project finance. For Motor Vehicle Loans, we've applied Bangladesh-specific data, while for Home Loans, we've used data from the "Asia Pacific (India)" region, as comprehensive data for Bangladesh is unavailable across all segments. The equation used to calculate internal emission is,

$$\text{GHG emissions} = \text{Activity} \times \text{Emission Factors}$$

Business Loan:

We have followed the PCAF 2019 methodology for calculating GHG emission from Business Loan. A brief detail of the methodology has given below,

Source Name	Exiobase Assets
Classification Type	Exiobase Sector Classification
Methodology Option	Option 3b
Activity Variable	Asset
Country	Emerging Economies (Regional Average) Emission Factors data as Bangladesh specific data are not available.
Emission Factor Source/ Year	PCAF Database 2019
Data Quality	5

The formula used to calculate business loan emission is,

$$\sum_c \text{Outstanding amount}_c \times \frac{\text{GHG emissions}_s}{\text{Assets}_s}$$

Project Finance:

Project financing is basically the purpose driven investments mostly term loans. We have followed the PCAF 2019 methodology for calculating GHG emission from Project Financed. A brief detail of the methodology has given below,

Source Name	Exiobase Assets
Classification Type	Exiobase Sector Classification
Methodology Option	Option 3b
Activity Variable	Asset
Country	Emerging Economies (Regional Average) Emission Factors data as Bangladesh specific data are not available.
Emission Factor Source/ Year	PCAF Database 2019
Data Quality	5

The formula used to calculate business loan emission is,

$$\sum_c \text{Outstanding amount}_c \times \frac{\text{GHG emissions}_s}{\text{Assets}_s}$$

Motor vehicle Loan:

PCAF 2020 methodology was followed for calculating GHG emission from Motor Vehicle Loan. Some relevant information of the methodology are as follows,

Source Name	EEA Passenger Vehicles
Methodology Option	Option 3a
Activity Variable	Distance Driven
Country	Bangladesh
Emission Factor Source/ Year	PCAF Database 2020
Vehicle Type	Octane: Toyota Corolla, Hybrid: Toyota Prius
Data Quality	4

The formula used to calculate Motor Vehicle emission is,

$$\sum_{t,f} \frac{\text{Outstanding amount}_{t,v}}{\text{Total value at origination}_{t,v}} \times \text{Distance traveled}_{t,s} \times \text{Efficiency}_{t,f} \times \text{Emission factors}_{t,f}$$

Home Loan:

The source was PCAF Database 2023 for measuring GHG emission from Home/Mortgage Loan. Particulars of the methodology are disclosed below.

Source name	PCAF Global Buildings Dataset
Methodology Option	Option 2b
Activity Variable	Floor Area
Country	Asia Pacific (India) Emission Factors data as Bangladesh specific data are not available.
Building Type	Residential Buildings (Single Family House)
Emission Factor Source/ Year	PCAF Database 2023
Data Quality	4

The formula used to calculate Home Loan emission is,

$$\sum_{b,e} \frac{\text{Outstanding amounts}_{b,e}}{\text{Property value at origination}_{b,e}} \times \text{Estimated energy consumption from statistics}_{b,e} \times \text{Floor area}_{b,e} \times \text{Average emission factor}_{b,e}$$

Other Including Personal Loan and Credit Card

The source was PCAF Database 2023 for measuring GHG emission from sectoral average of public administration; education; health; recreation; other services of business loan. Particulars of the methodology are disclosed below.

Source Name	Exiobase Assets
Classification Type	Exiobase Sector Classification
Methodology Option	Option 3b
Activity Variable	Asset
Country	Emerging Economies (Regional Average) Emission Factors data as Bangladesh specific data are not available.
Emission Factor Source/ Year	PCAF Database 2019
Data Quality	5

The formula used to calculate business loan emission is,

$$\sum_c \text{Outstanding amount}_{c,s} \times \frac{\text{GHG emissions}_{c,s}}{\text{Assets}_{c,s}}$$

5.7 Data Quality Score:

In this report, our disclosure ranges from data quality 4 to 5 for scope 3 (financed emission) calculation. The weighted data quality score for the calculation is 4.97; where score of 1 indicates high data quality and score of 5 indicates low data quality. For other calculations including scope 1, scope 2, and Scope 3 (internal emission), the data quality score is 2.

<p>Certain</p> <p>Uncertain</p>	Score 1	Attribution factor and verified emissions for the activity carried out with the loan are known.
	Score 2	Attribution factor and unverified emissions for the activity carried out with the loan are known.
	Score 3	Attribution factor is known, and the primary physical activity data of the loan is used to calculate emissions (e.g. electricity consumption).
	Score 4	Attribution factor is known and average data for the sector activity in the region is used for the emission factor.
	Score 5	Estimated data is used for attribution and emission factors.

5.8 Approach for Financed Emission:

BRAC Bank has used the Financial Control Approach for measuring and reporting the GHG emissions for financed portfolio as per PCAF standard.

5.9 Asset Class Coverage

BRAC Bank has Portfolio coverage in different asset classes such as Business Loan, Mortgage Financing, Motor Vehicle Loans, Personal Loans, Credit Cards etc. There are separate methodologies to identify financed emissions of these different asset classes. PCAF Standard has some other asset classes as well such as Listed equity and corporate bonds, Project finance, Commercial real estate, Sovereign debt etc. where BRAC Bank has an insignificant portfolio. On the other hand, BRAC Bank has significant portfolio in personal loan, credit card etc. where there is no global methodology to quantify emissions.

SL.	Asset Class	Percentage of Portfolio	Disclosure Coverage (Yes/No)	Remarks
1	Listed equity and corporate bonds	0%	No	The activities are insignificant to the bank's total financed emissions.
2	Business loans and unlisted equity	37%	Yes (100%)	The financing in business other than project financing.
3	Project finance	47%	Yes (100%)	The investment that is purpose driven
4	Commercial real estate	0%	No	The activities are insignificant to the bank's total financed emissions.
5	Mortgages	2%	Yes (100%)	-
6	Motor vehicle loans	1%	Yes (100%)	-
7	Sovereign debt	0%	No	The activities are insignificant to the bank's total financed emissions.
8	Personal Loan, Credit Card and Other Retail Facilities	13%	Yes (100%)	-

5.10 The Reason for Choosing Emission Factors Of "Emerging Economies" For Business Loans:

The economy of Bangladesh is classified as developing market economy. It is 2nd largest in South Asia and 35th largest in the world in nominal GDP terms. It is seen by various financial institutions as one of the Next Eleven. It has been transitioning from being a frontier market into an emerging market. As emission factors specifically for Bangladesh is not available in the PCAF database and Bangladesh is a unique country in terms of its economy, the most suitable emission factor for Bangladesh would be the factors of Emerging Economies at the present. Therefore, we used these factors to calculate GHG emissions for the business loan to ensure the best available results for this year.

BRAC Bank PLC GHG emission accounting

(Information on consumption and management of materials, energy, water, emission and waste)

Indicator	Note	Year 2024		Year 2023	
		Attributed emissions (Ton CO ₂ eq)	Attributed emissions share (%)	Attributed emissions (Ton CO ₂ eq)	Attributed emissions share (%)
Scope 1	1	1,630.20	0.11%	1,584.57	0.14%
Diesel & Lubricants		396.37	0.03%	571.57	0.05%
Owned vehicle		192.30	0.01%	160.58	0.01%
Refrigerant		1,041.53	0.07%	852.42	0.07%
Scope 2	2	16,671.15	1.13%	11,458.36	0.99%
Purchased Electricity		16,671.15	1.13%	11,458.36	0.99%
Scope 3		1,459,166.23	98.76%	1,144,966.79	98.87%
Internal Emission	3	35,686.81	2.42%	15,050.11	1.30%
Water use		39.49	0.00%	84.35	0.01%
Business travel		29,685.97	2.01%	7,036.97	0.61%
Employee commuting		3,536.68	0.24%	3,873.53	0.33%
Material Used		2,274.10	0.15%	3,926.66	0.34%
Waste Disposal		106.30	0.01%	85.83	0.01%
Hotel Stay		44.28	0.00%	42.77	0.00%
Financed Emission (Category:15)	4	1,423,479.42	96.35%	1,129,916.68	97.57%
Business loans	5	967,509	65.48%	805,907	71.32%
Project finance	6	423,156	28.64%	321,653	28.47%
Mortgages ¹		1,042	0.07%	1,316	0.12%
Motor Vehicle Loans		1,530	0.10%	1,041	0.09%
Other retail finance including personal loan, credit card etc.		30,242	2.05%	n/a	n/a
Gross Total GHG emission (Scope 1 + 2 + 3)		1,477,467.58	100.00%	1,158,009.72	100.00%
Avoided emissions					
Avoided internal emissions (Scope 2)	7	72.36	0.00%	64.90	0.01%
Avoided financed emissions (Scope 3, Category 15)*	8	18,039.19	1.22%	7,391.35	0.64%
Net Internal emission (Scope 2)		16,599	1.12%	11,393	0.98%
Total net internal emission		53,916	3.65%	28,028	2.42%
Net financed emission (Scope 3-Category 15)		1,405,440	95.12%	1,122,525	96.94%
Net Total GHG emission		1,459,356.03	98.77%	1,150,553.47	99.36%

*BRAC Bank has financed various green projects (for example: energy efficient machinery, Solar Power Plant etc.) which avoids carbon emissions. We have calculated the financed carbon avoidance be 6,968.11 tCO₂ based on available energy audit reports. Additionally, a Grid tied Solar project was financed through which 11,071.08 tCO₂ was avoided. There are further green projects whose energy audit is not conducted. So, the actual number is much bigger.

Notes regarding the GHG emissions statements:

1. Scope 1 Emission Details

Indicator	Year 2024		Year 2023	
	Attributed emissions (Ton CO2eq)	Attributed emissions share (%)	Attributed emissions (Ton CO2eq)	Attributed emissions share (%)
Scope 1	1,630.20	100%	1,584.57	100%
Diesel & Lubricants	396.37	24.31%	571.57	36.07%
Owned vehicle	192.30	11.80%	160.58	10.13%
Refrigerant	1,041.53	63.89%	852.42	53.80%

2. Scope 2 Emission Details

BRAC Bank's scope-2 emission refers to the consumption of electricity that they purchase and are not controlled by the Bank.

Consumption Year	GHG Emission (tCO2e)	Emission Factor Reference	Change from previous year (tCO2e)
2024	16,671.15	BD GEF 2022	5,212.79
2023	11,458.36	BD GEF 2022	

3. Scope 3 Internal Emission

Indicator	Category	Year 2024		Year 2023	
		Attributed emissions (Ton CO2eq)	Attributed emissions share (%)	Attributed emissions (Ton CO2eq)	Attributed emissions share (%)
Internal Emission		35,686.81	100%	15,050.11	100%
Water Use	Category 1	39.49	0.11%	84.35	1%
Business Travel	Category 6	29,685.97	83.18%	7,036.97	47%
Employee Commuting	Category 7	3,536.68	9.91%	3,873.53	26%
Material Used	Category 1	2,274.10	6.37%	3,926.66	26%
Waste Disposal	Category 5	106.30	0.30%	85.83	1%
Hotel Stay	Category 6	44.28	0.12%	42.77	0%

** The increase in emissions can be primarily attributed to a significant rise in business travel, which accounts for the majority of the scope 3 Internal emissions compared to the previous year.

4. Financed Emission:

Financed emissions (Category 15) refer to the greenhouse gas emissions associated with the financial products provided by an organization, specifically those related to investments, loans, and other financial services. Here, Scope 1 and Scope 2 of the business entity is considered as financed emission. These emissions are indirect but significant, arising from the activities financed by the organization's investments and loans. For financial institutions such as BRAC Bank, this category includes the emissions produced by the use of capital or financial services provided to clients, and it is a crucial part of understanding the full environmental impact of the bank's operations.

5. Business Loan:

GHG emissions of Business Loan portfolio by sector activity

Indicator	Year 2024		Year 2023	
	Attributed emissions (Ton CO ₂ eq)	Attributed emissions share (%)	Attributed emissions (Ton CO ₂ eq)	Attributed emissions share (%)
Petroleum, chemicals & non-metallic mineral products	329,683	34.08%	259,656	32.22%
Food production, beverages & tobacco	219,576	22.69%	125,762	15.61%
Metal & metal products	200,668	20.74%	189,753	23.55%
Textiles, leather & wearing apparel	93,095	9.62%	67,059	8.32%
Electricity, gas & water	78,446	8.11%	121,194	15.04%
Sale, maintenance & repair of vehicles; fuel; trade; hotels & restaurants	22,204	2.29%	24,585	3.05%
Manufacturing & recycling	6,770	0.70%	4,297	0.53%
Wood, paper & publishing	4,966	0.51%	2,187	0.27%
Electrical & machinery	4,440	0.46%	4,842	0.60%
Agriculture, hunting, forestry & fishing	2,460	0.25%	2,337	0.29%
Financial intermediation & business activity	1,915	0.20%	1,519	0.19%
Public administration; education; health; recreation; other services	1,519	0.16%	1,359	0.17%
Construction	888	0.09%	571	0.07%
Post & telecommunications	643	0.07%	619	0.08%
Transport	225	0.02%	69	0.01%
Mining & quarrying	10	0.00%	95	0.01%
Transport equipment	0	0.00%	3	0.00%
Total Business loan emission	967,509	100.00%	805,907	100.00%

6. Project Financed:

GHG emissions of Project Finance portfolio by sector activity

Indicator	Year 2024		Year 2023	
	Attributed emissions (Ton CO ₂ eq)	Attributed emissions share (%)	Attributed emissions (Ton CO ₂ eq)	Attributed emissions share (%)
Sale, maintenance & repair of vehicles; fuel; trade; hotels & restaurants	172,734	40.82%	147,698	45.92%
Metal & metal products	50,229	11.87%	26,084	8.11%
Textiles, leather & wearing apparel	47,606	11.25%	35,506	11.04%
Electricity, gas & water	42,800	10.11%	16,198	5.04%
Food production, beverages & tobacco	27,719	6.55%	23,598	7.34%
Petroleum, chemicals & non-metallic mineral products	23,432	5.54%	20,769	6.46%
Manufacturing & recycling	21,952	5.19%	21,886	6.80%
Agriculture, hunting, forestry & fishing	15,395	3.64%	10,654	3.31%
Public administration; education; health; recreation; other services	7,985	1.89%	6,955	2.16%
Wood, paper & publishing	4,787	1.13%	4,235	1.32%
Transport	3,843	0.91%	3,567	1.11%
Financial intermediation & business activity	1,949	0.46%	1,927	0.60%
Electrical & machinery	1,308	0.31%	1,107	0.34%
Post & telecommunications	582	0.14%	586	0.18%
Mining & quarrying	363	0.09%	419	0.13%
Construction	356	0.08%	364	0.11%
Transport equipment	116	0.03%	102	0.03%
Total Business loan emission	423,156	100.00%	321,653	100.00%

7. Avoided Internal Emissions (Scope 2)

A total of 108,003 MWh of electricity has been generated by BRAC Bank's solar power panels, installed at the Ho office and various branch locations. This generation has contributed to the avoidance of 72.36 tons of CO₂.

8. Avoided Financed Emissions (Scope 3)

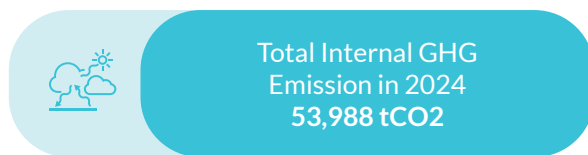
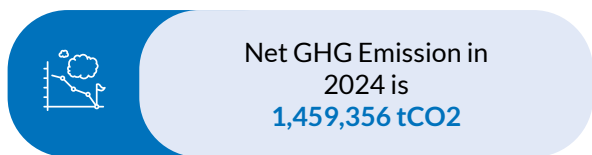
Through energy audits conducted across various green projects, we have calculated an avoided emission of 6,968.11 tons of CO₂. This reduction in emissions is primarily attributed to the financing of energy-efficient machinery. Additionally, a Grid tied Solar Power project was financed through which 11,071.08 tCO₂ was avoided. There are further green projects whose energy audit is not conducted. So, the actual number is much bigger.

5.12 Result:

Net tCO₂e of financed loan is calculated as 1,405,440 tons wherein, three major sectors "Petroleum, chemicals & non-metallic mineral products", "Metal & metal products", & "Food production, beverages & tobacco" are reported to have the higher emission intensity. These three segments alone comprise of about 61% of total CO₂ emissions whereas they share

only 21% of Business Loan Portfolio. Unlike previous years, when GHG emissions from "Electricity, gas & water" accounted for a significant share of the total emissions, this year has seen a marked reduction. This improvement is attributed to our focus on renewable energy initiatives, such as solar power grid projects. This achievement demonstrates our commitment to implementing a board approved decarbonization strategy.

- BRAC Bank will be mindful in monitoring these high emission sectors and work on possible solutions to minimize them. Based on the results, we have defined our transition plan where we intend to support our clients in the identified sectors to march towards low carbon technologies. Besides, we are trying to strengthen our data acquisition quality to improve our carbon accounting accuracy.
- Our bank is focusing more to facilitate green and climate financing opportunities with priority to attain national targets set by the Government of Bangladesh, such as Vision 2041, Intended Nationally Determined Contributions (INDCs), Delta Plan 2100 and other international goals.



5.13 Managing Climate-Related Risks:

BRAC Bank integrates climate-change-related risks into its existing risk management framework through a structured approach, addressing both physical and transition risks, which are continually evolving.

Addressing Physical Risks:

To assess physical risks, BRAC Bank employs a Climate Vulnerability Index (CVI) alongside geographic location analysis. This enables the bank to identify specific climate-related vulnerabilities in each region, assessing potential impacts such as extreme weather events, floods, storms,

and changing weather patterns. By evaluating these risks, the bank ensures that its operations and investments are resilient to climate-related disruptions. Currently, physical risks represent 5.4% of the total portfolio.

Managing Transition Risks:

For transition risks, the bank calculates greenhouse gas (GHG) emissions across its portfolio and conducts sector-based emission analysis. This process highlights the highest-emitting sectors, enabling the bank to assess its exposure to transition risks. Special focus is placed on the top 10 highest-emitting sectors to ensure thorough

evaluation and preparedness for the global shift to a low-carbon economy. Currently, 8.96% of the bank's portfolio is exposed to transition risks, and efforts are ongoing to manage and mitigate these risks.

Investing in the Green Future: Transition Finance Commitment

As the global economy transitions to sustainability, BRAC Bank is playing a key role in the green revolution. In 2024, the bank allocated BDT 53,357 million to transition finance, directing funds to projects and businesses focused on reducing their environmental footprint, improving energy efficiency, and adopting renewable energy solutions.

Transition finance is critical in supporting industries as they adapt to growing demands for sustainable practices. By providing the necessary financial resources, BRAC Bank is helping businesses align with global climate goals, facilitating the transition to a low-carbon economy. This investment supports the development of green technologies, clean energy infrastructure, and sustainable practices, ensuring both environmental and economic stability in the long term.

5.14 GHG Emission Reduction Plan

While BRAC Bank has not yet set a net-zero target, it is committed to reducing its greenhouse gas (GHG) emissions through a comprehensive GHG reduction plan. This plan, which has been approved by the board, focuses on addressing climate-related risks and opportunities, while aiming to minimize social and environmental impacts.

In 2024, climate considerations remain a top priority for the bank. As part of its ongoing efforts, BRAC Bank is working towards reducing GHG emissions by shifting its financing towards projects and businesses that prioritise energy efficiency and carbon footprint reduction. The bank is investing in renewable energy solutions and supporting the adoption of green technologies across its portfolio to achieve a significant reduction in emissions.

As part of its long-term strategy, BRAC Bank is in the process of setting sector-specific glide paths and developing emission reduction initiatives. These strategies will be implemented soon to further support the bank's climate goals and enhance its commitment to sustainable finance.

Our Strategy in GHG Emission Reduction Plan

With the national economy growing and our goal of doubling our portfolio as an organization, we believe the following strategies will be aligned with our vision:

1. National-Level Advocacy

We will encourage government, non-governmental organizations, and multi-stakeholder groups to focus more on renewable energy and gradually phase out fossil fuels.

2. Promotion of Renewable Energy Investment

We will inspire increased investments in renewable energy with the goal of transitioning from fossil fuels to cleaner energy sources.

3. Seminars and Workshops on Renewable Energy

We will organise seminars and workshops to raise awareness about the transition from fossil fuels and the importance of achieving net-zero carbon targets.

4. Engagement with DFIs for Funding

We will engage with Development Finance Institutions (DFIs) to seek soft loans and technical support for renewable energy projects, facilitating a smoother transition to sustainable energy solutions.


5. Expansion of Energy-Efficient Machinery and Projects


We will continue to avail refinancing from the central bank for energy-efficient machinery through various refinancing schemes. As a Partner Financial Institution (PFI) of the Green Climate Fund (GCF), we aim to expand our refinancing efforts in the near future to further support energy-efficient projects.


5.15 Additional Disclosure:

As per PCAF guidelines, the financial institutions separately disclose the absolute scope 3 of borrowers and investees following a phase-in approach. In "Listed equity and corporate bonds" chapter of PCAF standard, scope 3 emission of borrowers at least in energy (oil & gas) & mining, transportation, construction, buildings, materials and industrial activities must be disclosed in the reports published in 2024 onwards. However, we have calculated the scope 3 GHG emission of all our business loans and project financed. And the total emission is 2,164,300 tCO₂e where project financed contributes 1,098,801 tCO₂e and business loan contributes 1,065,499 tCO₂e

BRAC Bank's Climate Ambitions

 Our goal is to pioneer being a top sustainable bank in terms of our business investments and banking practices. The broader motive is to meet the international and national long-term economic, environmental and social growth agenda by implementing green and sustainable financing.

 We already have a decarbonization plan based on our country's perspective. We will reduce our operational emissions along with increased financing in the areas of energy efficiency, renewable energy etc.

 Our future establishments will be designed as per green building standards. We also are motivated to finance green and environmentally friendly establishments with concessional lending options.

- We already have carpooling facilities for our employees. We will increase the facility and motivate more colleagues to join the carpool. We also are motivated to finance green transportation to our clients for encouraging clean energy which we will continue to grow.
- Our credit process has already been integrated with ESG criteria, and any high-risk facility requires to get approval from board of directors irrespective of its nature of loan. We are also trying to divest from high carbon industries. We already have an exclusion list where tobacco, weaponry, coal mining or coal fired power plants etc. are mentioned as our commitment towards sustainability.

- We will increase our investments in sustainable businesses and engage our clients and partners for their own decarbonization plans.
- We will explore investments in carbon removal technologies. We will also try and establish robust data management system to properly measure our carbon footprint emissions and subsequent decarbonization efforts.
- As a founding member of the Global Alliance for Banking on Values (GABV), we always prioritise banking values. We believe in responsible financing, which leads the way to our people's and society's welfare.



APPENDIX:

ISSB Disclosures for S1 And S2

IFRS S1 Disclosures

Topic	IFRS Index	Location in Report
General Requirements	IFRS S1 - 54	Section - 1.7
	IFRS S1 - 55	Section - 1.2 - 1.8
	IFRS S1 - 56	Section - 1.7
	IFRS S1 - 57	Section - 1.7
	IFRS S1 - 58	Section - 1.7
	IFRS S1 - 59	Section - 1.7
	IFRS S1 - 60	Section - 1.5
	IFRS S1 - 61	Section - 1.5
	IFRS S1 - 62	Section - 1.5
	IFRS S1 - 63	N/A
	IFRS S1 - 64	Section - 1.5
	IFRS S1 - 65	N/A
	IFRS S1 - 66	N/A
	IFRS S1 - 67	N/A
	IFRS S1 - 68	N/A
	IFRS S1 - 69	N/A
	IFRS S1 - 70	Section - 1.4
	IFRS S1 - 71	Section - 1.4
	IFRS S1 - 72	Section - 1.8
IFRS S1 - 73	N/A	
Governance	IFRS S1 - 26	Section - 2.1 - 2.6
	IFRS S1 - 27	Section - 2.1 - 2.6
Strategy	IFRS S1 - 28	Section 3: Strategy
	IFRS S1 - 29	Section - 3.1 - 3.6
	IFRS S1 - 30	Section - 3.2
	IFRS S1 - 31	Section - 3.2
	IFRS S1 - 32	Section - 3.2-3.3
	IFRS S1 - 33	Section - 3.4
	IFRS S1 - 34	Section - 3.3-3.4
	IFRS S1 - 35	Section - 3.2-3.5
	IFRS S1 - 36	N/A
	IFRS S1 - 37	N/A
	IFRS S1 - 38	N/A
	IFRS S1 - 39	N/A
	IFRS S1 - 40	Section - 3.4
IFRS S1 - 41	Section - 3.6	
Risk Management	IFRS S1 - 43	Section - 4.1 - 4.6
	IFRS S1 - 44	Section - 4.1 - 4.6

Topic	IFRS Index	Location in Report
Metrics: Measuring Our Climate Impact	IFRS S1 - 45	Section - 5.1 - 5.15
	IFRS S1 - 46	N/A
	IFRS S1 - 47	N/A
	IFRS S1 - 48	Section - 5.11
	IFRS S1 - 49	Section - 5.5 - 5.6
	IFRS S1 - 50	Section - 5.5 - 5.6
	IFRS S1 - 51	N/A
	IFRS S1 - 52	Section - 5.4
	IFRS S1 - 53	Section - 5.1 - 5.15

IFRS S2 Disclosures

Topic	IFRS Index	Location in Report
Governance	IFRS S2 - 5	Section - 2.1 - 2.26
	IFRS S2 - 6	Section - 2.1 - 2.26
	IFRS S2 - 7	N/A
Strategy	IFRS S2 - 8	Section - 3.7-3.10
	IFRS S2 - 9	Section - 3.7-3.10
	IFRS S2 - 10	Section - 3.7-3.10
	IFRS S2 - 11	N/A
	IFRS S2 - 12	N/A
	IFRS S2 - 13	Section - 3.8
	IFRS S2 - 14	Section - 3.9
	IFRS S2 - 15	Section - 3.10
	IFRS S2 - 16	Section - 3.10
	IFRS S2 - 21	Section - 3.10
IFRS S2 - 22	Section - 3.7	
Risk Management	IFRS S2 - 24	Section - 4.1 - 4.6
	IFRS S2 - 25	Section - 4.1 - 4.6
	IFRS S2 - 26	N/A
Metrics: Measuring Our Climate Impact	IFRS S2 - 29	Section - 5.1 - 5.15
	IFRS S2 - 30	Section - 5.13
	IFRS S2 - 31	Section - 5.13
	IFRS S2 - 32	Section - 5.1 - 5.15
	IFRS S2 - 33	Section - 5.14
	IFRS S2 - 34	Section - 5.14
	IFRS S2 - 35	N/A
	IFRS S2 - 36	N/A
IFRS S2 - 37	N/A	



ESG Analysis and Supplementary Sustainability Information

GLOBAL ALLIANCE FOR BANKING ON VALUES AND BRAC BANK

A Commitment to Values-Based Banking

As a proud member of the Global Alliance for Banking on Values (GABV), BRAC Bank has begun a transformative journey that redefines its role beyond conventional banking. This journey focuses on values-driven banking, prioritising accountability, transparency, and sustainability. By aligning with the principles of GABV, BRAC Bank aims to be more than just a bank; it seeks to be a responsible financial institution that serves its customers, supports communities, and protects the planet.

Impact of GABV on BRAC Bank

GABV's influence on BRAC Bank is profound, guiding it to integrate social responsibility, economic sustainability, and environmental consciousness into its core business strategy. The impact can be observed in three key areas:

1. Values-Based Banking

GABV has inspired BRAC Bank to reinforce its commitment to financial inclusion and ethical banking practices. The bank now prioritises serving SMEs, particularly those led by women and entrepreneurs from underserved communities, ensuring equitable access to financial resources. This approach fosters sustainable business growth while uplifting marginalised sectors of society.

Additionally, BRAC Bank has strengthened its governance and ethical frameworks, ensuring integrity in its operations. By enhancing transparency in financial reporting and reinforcing customer-centric policies, the bank has solidified its trustworthiness among stakeholders.

2. Accountability and Transparency

As a GABV member, BRAC Bank is dedicated to maintaining high accountability standards. This commitment is reflected in the bank's CSR initiatives,

risk management policies, and stakeholder engagement practices. Regular impact assessments and sustainability reporting ensure that BRAC Bank operates with integrity and aligns its objectives with the well-being of people and the environment.

The bank has also strengthened its financial literacy programmes, empowering customers with the knowledge to make informed decisions about their financial well-being. By adopting an open communication policy, BRAC Bank continues to enhance its customer relationships through honesty, ethical practices, and an unwavering commitment to transparency.

3. Caring for the planet

GABV's principles emphasise the role of banking in addressing climate change and environmental degradation. BRAC Bank has expanded its green banking initiatives, including financing renewable energy projects, offering green loans, and adopting sustainable banking practices. By incorporating environmentally responsible policies, the bank contributes to a low-carbon economy, aligning with Bangladesh's sustainability goals.

Moreover, the bank has integrated climate risk assessments into its financial decision-making, ensuring that investments contribute to a greener, more resilient economy. BRAC Bank leads by example in the financial sector's fight against climate change through partnerships with environmental organisations and active participation in eco-friendly projects.

The Road Ahead: Becoming More Than a Bank

BRAC Bank is on a mission to transform itself into a more purposeful institution. It aims to be financially strong while also being socially and environmentally responsible. To achieve this, the bank is focusing on several key areas:

Serving the Unbanked

Reaching out to people who don't currently have access to banking services.

Strengthening Responsibility

Following strong guidelines that promote positive social and environmental practices.

Investing in Sustainable Ideas

Increasing its support for businesses prioritising sustainability.

Embracing Digital Innovation

Promoting responsible banking by adopting new technologies.

Triple Bottom Line Approach

BRAC Bank's top priority is to contribute to the achievement of the SDGs by financing clients who create productive employment in an environmentally friendly manner. The bank also acts as an intermediary for the Triple Bottom Line (TBL), supporting individuals or businesses that positively impact at least one of the following: social empowerment (people), environmental regeneration (planet), and economic resilience (prosperity).

In 2023, the TBL portfolio was BDT 302 billion, and it grew to BDT 502 billion in 2024, representing a 67% increase. As of 2024, 81% of BRAC Bank's portfolio falls under TBL, up from 58% in 2023.

BRAC Bank is committed to representing progress, inclusion, and sustainability. By following these core values, the bank demonstrates that ethical banking is not only viable but essential for the future of finance.



SUSTAINABLE FINANCE OVERVIEW

Green & Sustainable Finance

Green finance is focused on providing funding for initiatives that help reduce greenhouse gas (GHG) emissions and promote renewable energy. By supporting projects such as wind, solar, and other clean energy solutions, the goal is to protect the environment and create long-lasting positive changes in the ecosystem. Green finance plays a key role in driving efforts to address climate change, minimize the harmful effects of human activity on nature, and contribute to a more sustainable future.

Sustainable finance takes a broader approach by considering not only environmental factors, but also social and governance (ESG) aspects in investment decisions. This includes evaluating how companies treat their employees, impact local communities, and adhere to ethical business practices. The aim of sustainable finance is to foster long-term economic, environmental, and social growth by encouraging investments that benefit both people and the planet. It seeks to ensure that financial growth is balanced with responsibility, creating a sustainable world for future generations.

Both green and sustainable finance are critical in achieving global targets set by initiatives such as the Paris Agreement and the United Nations Sustainable Development Goals (SDGs). These financial strategies also support national goals like Vision 2041, the Intended Nationally Determined Contributions (INDCs), and the Delta Plan 2100. As countries and businesses work toward these goals, there is no alternative but to pursue sustainability.

To address the urgent challenges we face, such as climate change and environmental risks, green and sustainable finance serve as essential tools in transitioning to a low-carbon, sustainable economy. By guiding investments toward environmentally and socially responsible projects, these financial strategies help ensure a better and more sustainable future for all.



Contribution to the SDGs through Sustainable Banking



BRAC Bank is proud to be a key contributor to the Sustainable Taxonomy outlined in Bangladesh Bank's Sustainable Finance Policy for Banks and Financial Institutions, introduced in the SFD Circular No. 05 on December 30, 2020. In line with our commitment to fostering a sustainable recovery from the pandemic and advancing the national 2030 agenda for sustainable development, sustainability remains at the heart of our operations.

We integrate sustainability into all aspects of our business, from financing green projects to encouraging environmentally responsible practices across various industries. By promoting sustainable banking, BRAC Bank contributes directly to the global pursuit of the United Nations Sustainable Development Goals.

Our efforts in financing renewable energy projects are an essential part of the bank's strategy to help the country transition to cleaner and more efficient energy sources. This is aligned with our mission to reduce dependence on fossil fuels while advancing the country's energy sustainability.

The focus on sustainable finance also plays a vital role in enabling the growth of green businesses, creating jobs in fields like renewable energy, sustainable agriculture, and eco-friendly technologies. BRAC Bank's commitment to financing small and medium enterprises (SMEs) and women-led businesses further promotes inclusive growth, while contributing to reducing economic inequalities within the country.






































Through our financial products, we also encourage businesses to adopt sustainable production practices, improve resource efficiency, and minimize environmental impact. By financing projects that promote sustainable industrial practices and climate-resilient infrastructure, BRAC Bank supports the adoption of innovative technologies that can withstand environmental challenges.

Our commitment to climate action is evident in our proactive measures to finance projects that address climate change and promote adaptation. This includes supporting businesses in their transition to low-carbon technologies, which contributes to mitigating climate-related risks and fostering resilience in industries most vulnerable to environmental challenges.

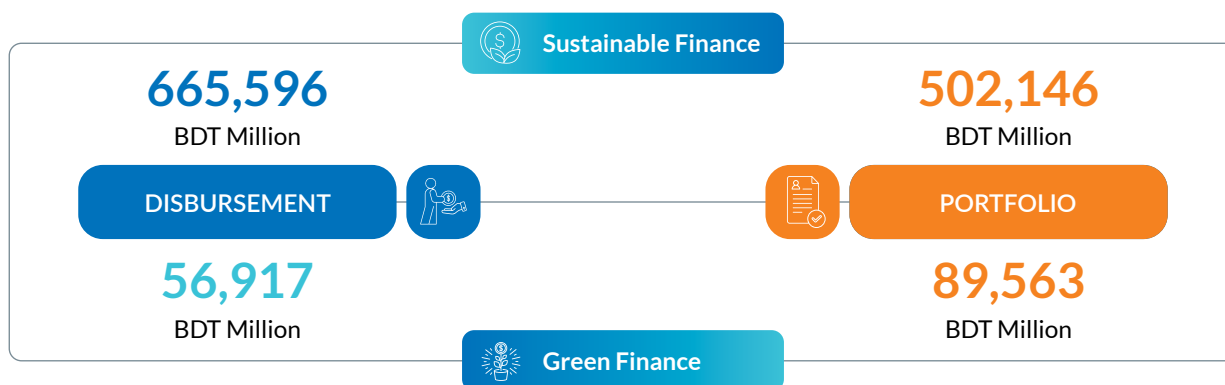
BRAC Bank also collaborates with development financial institutions, government bodies, and international organizations to build a more sustainable and inclusive financial ecosystem. These partnerships amplify our impact, reinforcing our shared commitment to a sustainable future.

By embedding sustainability into our core operations, BRAC Bank continues to play a critical role in advancing the country's sustainable development agenda. Through our ongoing efforts, we ensure that the bank's contributions to sustainable development are not only impactful but also long-lasting.

SDG Mapping of Sustainable Finance of BRAC Bank PLC.

Disbursement Sectors	Disbursement Amount (BDT Million)	Major Categories	SDG Mapping
Green Finance	56,918	Renewable Energy	  
		Energy & Resource Efficiency	  
		Circular Economy & Eco-Projects Financing	  
		Lithium Battery Manufacturing	  
		Green/Environment Friendly Establishments	  
		Green Agriculture	  
		Green CMSME	  
		Green Socially Responsible Financing (SRF)	  
Sustainable Agriculture	2,114	Information and Communication Technology	  
		Crops	  
		Pisciculture	
Sustainable MSME	215,717	Livestock	
		Sustainable MSME	    
Socially Responsible Financing	39,748	Financing/Investment through MFI (MRA Regulated)/NGO (Govt. Approved) Linkage Mode for capacity building, Education, employment generation including self-employment	    
Other Sustainable Linked Finance	342,950	Other Sustainable Linked Finance	     

Overview of Sustainable Finance Portfolio:



Portfolio

Index	As of 2024 (BDT Million)	As of 2024 (in Percentage)	As of 2023 (BDT Million)	AS of 2023 (in Percentage)
Green Finance	89,563	24%	65,707	20%
Sustainable Finance	502,146	81%	302,608	51%

Regulatory Requirement on Disbursement

Index	Requirement	Achievement (%) in 2024
Green Finance	5%	20%
Sustainable Finance	20%	94%

Driving Sustainability: Addressing Climate Risk and Opportunities

At BRAC Bank, we understand that sustainability is not just a trend but an essential commitment to ensuring a better future for all. With climate change being one of the most pressing challenges of our time, we recognise both the risks and opportunities it presents. As a forward-thinking financial institution, we are determined to integrate sustainable practices across all aspects of our operations, making responsible decisions that contribute to a more resilient and equitable economy. Below, we highlight key areas where we are making a significant impact through our focus on climate-related risks and social empowerment.

Managing Physical Climate Risks: Building Resilience for Tomorrow

As climate change brings about more extreme weather patterns and rising global temperatures, BRAC Bank is proactively addressing the physical risks that could impact our investments. These risks, such as floods, storms, and changing weather patterns, can disrupt industries and communities, potentially affecting the stability of our portfolio. Currently, our exposure to these climate-related physical risks is 5.4% of our total portfolio.

By identifying and understanding these risks, we can take necessary steps to protect our assets and those of our clients. We continually assess how physical risks could impact various sectors, and as part of our risk management strategy, we focus on building resilience by supporting businesses and industries that are taking steps to adapt to and mitigate these challenges. Our goal is to ensure the sustainability and long-term stability of our investments, while supporting broader efforts to safeguard the environment.



Navigating the Transition to a Green Economy: Managing Transition Risks

The global economy is shifting towards a more sustainable, low-carbon future, and this transition brings both risks and opportunities. Transition risks refer to the challenges faced by industries adjusting to new regulations, market shifts, and technological advances aimed at reducing environmental impact. BRAC Bank is actively managing its exposure to these transition risks, currently 8.96% of the total portfolio falls under it.

We are committed to supporting industries that are undergoing this transformation by providing the necessary financial resources to facilitate their transition. Our approach includes engaging with businesses that are embracing clean technologies and low-carbon practices, while also ensuring that our investments align with global sustainability goals. By staying ahead of regulatory changes and emerging trends, we help our clients reduce their exposure to transition risks, while simultaneously fostering innovation and growth in green industries.



Empowering Communities Through Socially Responsible Finance: A Vision for Inclusive Growth

At BRAC Bank, we believe that finance has the potential to drive positive change and enhance the lives of individuals and communities. In 2024, we committed BDT 34,703 million towards socially responsible financing, focusing on investments that create a lasting impact on society. These funds are channelled into projects through microfinance institutions (MFIs) that improve access to education, healthcare, and affordable housing—key areas vital to the social well-being of underserved populations.

By aligning our financial strategies with social objectives, we strive to promote inclusive growth and contribute to building a more equitable society. We view socially responsible finance as a critical tool for addressing pressing social issues, such as poverty, inequality, and the lack of access to basic services. This approach not only supports the communities we serve but also fosters sustainable development across Bangladesh in the long term.



Financing Socioeconomic Advancement & Empowerment: Advancing Socioeconomic Growth for All

Financial inclusion is at the heart of BRAC Bank’s mission to drive meaningful socioeconomic progress. In 2024, we allocated BDT 28,684 million towards initiatives designed to empower underserved individuals and businesses, with a strong focus on women entrepreneurs, small businesses, and low-income households. This financing is not just about providing capital; it’s about creating equal opportunities and breaking down barriers to success.

Women entrepreneurs, for example, represent a crucial segment of our financing strategy, with BRAC Bank contributing 24% of the total industry financing to Women-Owned Small and Medium Enterprises (WSMEs). This investment highlights our ongoing commitment to fostering gender equality and supporting women-led businesses, which are often key drivers of local economic growth.

By focusing on socioeconomic advancement, we aim to break the cycle of poverty, providing people with the tools to achieve financial independence, gain access to quality education, and improve their overall livelihoods. We firmly believe that providing underserved communities with access to financing creates ripple effects of empowerment—allowing individuals to build businesses, acquire new skills, and ultimately elevate their living standards.

Through this financing, we are not only contributing to economic advancement and job creation but also building a more inclusive and equitable economy, where opportunities for success and prosperity are available to all. Our vision is to create an environment where everyone—regardless of their background—has the resources and support to succeed and contribute to the wider community’s economic well-being.



Transition Finance: Supporting the Green Revolution for Sustainable Business Practices

As the global economy transitions toward sustainability, BRAC Bank is proud to be a key player in the green revolution. In 2024, we dedicated BDT 53,357 million to transition finance—funds that are strategically invested in companies and projects aiming to reduce their environmental footprint, increase energy efficiency, and adopt renewable energy solutions.

Our transition finance efforts are crucial in helping industries and businesses adapt to the increasing demand for sustainable practices. By providing the necessary financial resources for businesses to make these critical changes, we are helping them align with international climate goals and future-proof their operations. This investment supports the development of green technologies, clean energy infrastructure, and sustainable practices that will pave the way for a low-carbon economy, ensuring long-term environmental and economic stability.



Concessional Financing to Promote Green Finance

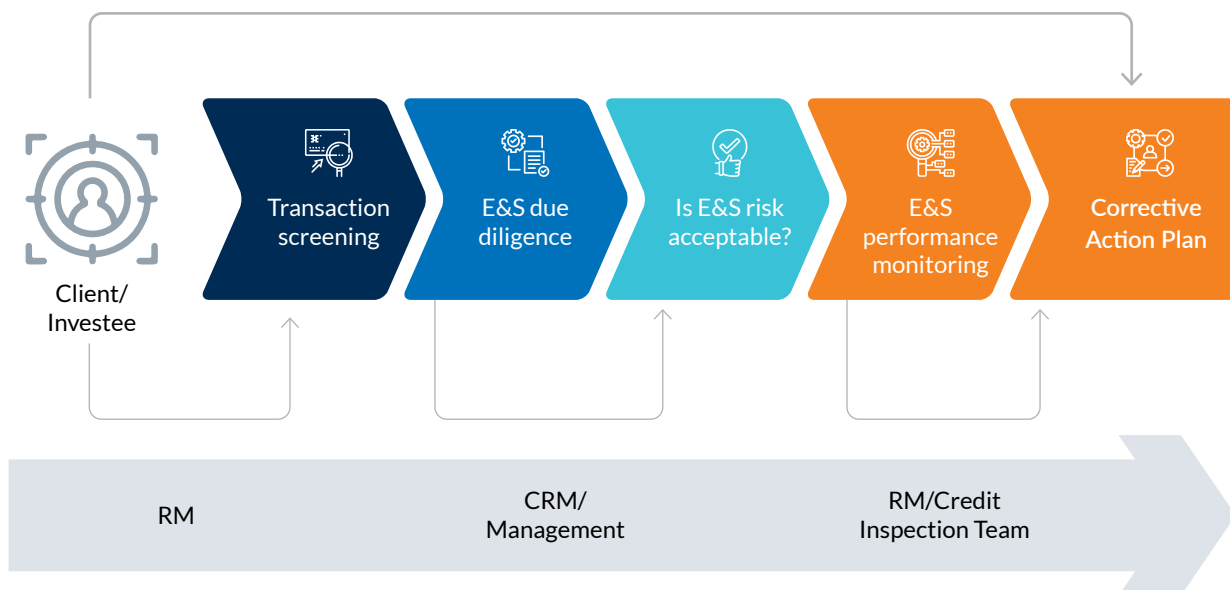
To support the transition toward environmentally responsible practices, Bangladesh Bank has introduced various refinancing schemes aimed at fostering green and sustainable financing. In alignment with these initiatives, BRAC Bank offers concessional loans to customers through programmes such as the Refinancing Scheme for Green Products/Projects/Initiatives, Technology Development Fund (TDF), and Green Transformation Fund (GTF).

These schemes provide low-cost financing to businesses looking to adopt green technologies, improve energy efficiency, and reduce their environmental impact. The Refinancing Scheme for Green Products/Projects/Initiatives supports projects focused on renewable energy and environmental conservation, while the Technology Development Fund (TDF) helps businesses modernize with eco-friendly technologies. The Green Transformation Fund (GTF) supports large-scale projects aimed at transforming industries toward sustainability.

By offering these concessional loans, BRAC Bank is playing an active role in helping businesses finance their green transformation and contribute to a sustainable future.

OTHER SUSTAINABILITY INFORMATION

Environmental and Social Risk Management (ESRM):



An Environmental and Social Risk Management (ESRM) system in a bank refers to the processes and procedures used to identify, assess, manage, and monitor environmental and social risks associated with its lending and investment activities. This includes evaluating the potential environmental and social impacts of clients and projects, setting clear standards, conducting due diligence, monitoring ongoing performance, and addressing any issues that arise. As expectations grow from investors, regulators, and the public for financial institutions to be accountable for the environmental and social consequences of their operations, maintaining a robust ESRM system is crucial for responsible banking.

As a leading performer in Environmental, Social, and Governance (ESG) practices, BRAC Bank is deeply committed to promoting sustainable business operations. We have implemented a comprehensive ESRM system to ensure that our banking activities are aligned with responsible, ethical, and sustainable practices. This framework enables us to identify, assess, and manage environmental and social risks linked to our investments and operations, covering areas such as climate change, natural resource management, human rights, labour standards, and community development.

Our ESRM system is fully integrated into the lending process and is subject to regular internal and external audits to ensure compliance with relevant regulations and standards. Relationship managers and credit officials are responsible for conducting Environmental and Social (E&S) due diligence and monitoring the E&S performance of client's post-loan disbursement. We also have a dedicated credit inspection team that closely monitors clients' overall performance, with particular attention to environmental and social aspects.

To further strengthen our capacity in managing E&S risks, staff in our Sustainable Finance Unit (SFU) regularly participate in capacity-building sessions, seminars, and workshops. We also provide in-house training for business relationship managers and credit officers to enhance their skills in addressing E&S issues. Additionally, to promote transparency and accountability, we have established an Environmental & Social Grievance Redress Mechanism, allowing individuals or communities affected by our operations to submit complaints directly to senior management for swift resolution.

In alignment with Bangladesh Bank's updated ESRM guidelines issued in June 2023, we have ensured that




our ESRM policies are fully in line with the central bank's requirements. Our ESRM framework is integrated into our credit policy, which has been approved by the bank's board of directors. As part of our ongoing commitment to compliance, we conduct regular Environmental and Social Due Diligence (ESDD) for all business loan disbursements.

Furthermore, we have integrated the International Finance Corporation's Performance Standards (IFCPS) into our

credit process to ensure that the projects we finance adhere to the highest environmental and social standards. For transactions that meet the criteria of the IFCPS, we apply a detailed checklist during the underwriting process. This checklist ensures that all relevant environmental and social factors are comprehensively assessed and that appropriate safeguards are in place for compliance throughout the lifecycle of each transaction.

Alignment with the UNGC principles:

UNGC Principle	Area	BRAC Bank's Alignment
1. Businesses should support and respect the protection of internationally proclaimed human rights	Human Rights	<ul style="list-style-type: none"> ✔ Respect for human rights at all times ✔ Fair and meritocratic workplace environment ✔ Conscious promotion of inclusion and diversity
2. Make sure they are not complicit in human rights abuses	Human Rights	<ul style="list-style-type: none"> ✔ Ethical operations and strong governance to avoid any form of complicity ✔ Proactive social responsibility initiatives
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Labour	<ul style="list-style-type: none"> ✔ Upholding freedom of association ✔ Partnership-driven CSR initiatives ensuring long-term community impact ✔ Internal platforms like TARA (Women) Forum to enable open dialogue
4. The elimination of all forms of forced and compulsory labour	Labour	<ul style="list-style-type: none"> ✔ Zero tolerance towards any form of forced or compulsory labour
5. The effective abolition of child labour	Labour	<ul style="list-style-type: none"> ✔ Long-standing investment in education as a transformative tool ✔ Initiatives focused on underprivileged children and the education of the girl child
6. The elimination of discrimination in respect of employment and occupation	Labour	<ul style="list-style-type: none"> ✔ Strong commitment to workplace inclusion and equality ✔ No leniency towards discriminatory practices ✔ Gender sensitization initiatives and women-focused programs
7. Businesses should support a precautionary approach to environmental challenges	Environment	<ul style="list-style-type: none"> ✔ Prioritized lending to clean and green energy businesses ✔ Credit preference for projects with environmental safeguards
8. Undertake initiatives to promote greater environmental responsibility	Environment	<ul style="list-style-type: none"> ✔ Digital banking to reduce paper use ✔ E-communication instead of paper-based correspondence ✔ Reduction in plastic usage and resource conservation awareness ✔ Carbon footprint measurement and reduction initiatives
9. Encourage the development and diffusion of environmentally friendly technologies	Environment	<ul style="list-style-type: none"> ✔ Financing for renewable energy and green projects ✔ Dedicated sustainable finance desks at key branches ✔ Promotion of eco-friendly technological solutions

UNGC Principle	Area	BRAC Bank's Alignment
10. Businesses should work against corruption in all its forms, including extortion and bribery	Anti-Corruption	<ul style="list-style-type: none">  Transparent, ethical, and merit-based organizational culture  Strict code of conduct and anti-bribery policies  Increased workplace flexibility aligned with ethical standards, particularly post-pandemic

Alignment with the GABV Principles:

GABV Principles	BRAC Bank's alignment
Principle 1: Social and environmental impact and sustainability are at the heart of the business model	*BRAC Bank does not finance to projects that are detrimental to the environment, such tobacco, ship breaking, tannery etc.
Principle 2: Grounded in communities, serving the real economy and enabling new business models to meet the needs of both	<p>*The bank maintains long term relationship with its customers providing repeat loan to majority of the client base.</p> <p>*The bank prefers financing manufacturing rather than trading, capital market, derivative market as it focuses on real economy creating job and making lasting impact on people and society.</p>
Principle 3: Long-term relationships with clients and a direct understanding of their economic activities and the risks involved	The bank's Relationship Managers maintain close contact with the customers, visit their places regularly to take stock of their business.
Principle 4: Long-term, self-sustaining, and resilient to outside disruptions	<p>*The bank maintains a diverse asset and liability portfolio in SME, Corporate and Retail segments to minimize the risks.</p> <p>*The bank keeps updating its business continuity plan and revisiting its risk management frameworks to subdue impact of outside disruptions.</p>
Principle 5: Transparent and inclusive Governance	*Good corporate governance, transparency, ethics and compliance are cornerstone of the bank's business model.
Principle 6: All of these principles embedded in the culture of the financial institution	*GABV Principles are embedded in the value system of the bank.


BRAC Bank's Exclusion List

BRAC Bank will not finance any activity, production, use of, trade in, distribution of or any other areas involving:

1. **Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans**, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, PCB's, wildlife or regulated under the Convention on International Trade in Endangered Species (CITES). (Links: United Nations

(UN) list of banned chemicals and products; <http://www.un.org/esa/coordination/Consolidated.list-13FinalFinal.pdf> and CITES list of endangered species: <http://www.cites.org/eng/app/E-Apr27.pdf>)

2. **Forced Labour or Child Labour in Hazardous Working Conditions**

 Forced Labour means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty as defined by ILO conventions, UNGC Principles and/or local legislations.

- To address the issue of Child Labour, persons may only be employees if they are at least 14 years old, as defined in the ILO Fundamental Human Rights Conventions (Minimum Age Convention C138, Art. 2), unless local legislation specifies compulsory school attendance or the minimum age for working. In such cases the higher age shall apply.
3. **Any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international phase-outs or bans, such as:**
 - Ozone depleting substances, PCB's (Polychlorinated Biphenyls) and other specific, hazardous pharmaceuticals, and unauthorized manufacturing of pesticides/herbicides or chemicals.
 - Wildlife or products regulated under the Convention on International Trade in Endangered Species or Wild Fauna and Flora (CITES); or
 - Unsustainable fishing methods (e.g., blast fishing and drift net fishing in the marine environment using nets in excess of 2.5 km in length, deep sea bottom trawling, or fishing with the use of explosives or cyanide).
 - Operations impacting UNESCO World Heritage Site and/or Ramsar site
 4. **Cross-border trade in waste and waste products, unless compliant with the Basel Convention and the underlying regulations.**
 5. **Destruction of High Conservation Value areas.**

Destruction means the (1) elimination or severe diminution of the integrity of an area caused by a major, long-term change in land or water use or (2) modification of a habitat in such a way that the area's ability to maintain its role is lost.
 6. **Radioactive materials.**

This does not apply to the purchase of medical equipment, quality control (measurement) equipment or any other equipment where the radioactive source is understood to be trivial and/or adequately shielded.
 7. **Unbounded asbestos fibres.**

This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%
 8. **Pornography or prostitution.**
 9. **Racist and anti-democratic media**

10. **Commercial logging operations for use in primary tropical moist forest**

- Illegal logging, and logging operations or conversion of land for plantation use in primary tropical moist forests

11. **Production or trade in wood or other forestry products other than from sustainably managed forests**

12. **Production or activities that impinge on the lands owned, or claimed under adjudication,**

by Indigenous Peoples, without full documented consent of such peoples

13. **Ship breaking/ trading activities which include:**

- Ships with prevalent asbestos use (for e.g. passenger cruise)
- Ships listed on the Greenpeace blacklist*
- Ships not certified "gas free" for hot work

14. **In the event that any of the following products form a substantial part of a company's primary operations, or a financial institution, investment fund or company's financed business activities.**

- Alcoholic beverages (excluding beer and wine);
- Tobacco.
- Weapons and munitions.
- Gambling, casinos and equivalent enterprises.

15. **Any facility to finance (or re-finance)**

- power generation from any power plant the energy source of which, whether in whole or in part, is coal which delivers its power to the transmission or distribution grid or coal mining.

Green Office Guideline:

We have our own Green Office Guideline to encourage ethical business practice and a better in-house environmental management within the organizational framework. It has four different segments where the guideline discussed about saving water, electricity, paper and keeping the office clean and hygienic.

1. Green Code of Conduct for our colleagues
2. Conversion of our premises as Green Office
3. Introduction of Green Technologies
4. Training of our colleagues on Green and Sustainable Initiatives

BRAC Bank's Commitment to Social Impact

Healthcare

BRAC Bank is dedicated to improving healthcare access and quality across Bangladesh. Through our investments

and contributions, we support SDG 3 (Good Health and Well-being) by enhancing medical facilities, providing better healthcare services and addressing health challenges in underserved communities. Our commitment includes both financial support and active participation in initiatives that strengthen the country's healthcare infrastructure.

Education

Recognizing that education is the foundation of national development, BRAC Bank actively invests and contributes to creating opportunities for better education. Our efforts support SDG 4 (Quality Education) by improving educational infrastructure, offering scholarships and providing access to quality learning for students of all backgrounds. Through these initiatives, BRAC Bank is helping build a stronger, more educated future for the country.

Affordable Housing

Access to affordable housing is a fundamental right, and BRAC Bank has impacted the lives of 4,355 individuals through its affordable housing initiatives. Our efforts contribute to SDG 11 (Sustainable Cities and Communities) by providing secure and stable homes, improving living standards, and enabling the development of sustainable and inclusive communities.

SME Financing & Microfinance

As the country's most trusted SME bank, with over 42% of our portfolio dedicated to SMEs, BRAC Bank plays a pivotal role in fostering financial inclusion and job creation. With a portfolio of BDT 260,475 million, we actively contribute to SDG 8 (Decent Work and Economic Growth) by providing essential financing solutions to small and medium-sized enterprises. This supports entrepreneurship, stimulates local economic growth, and drives sustainable development. Through these efforts, we not only contribute to job creation but also help reduce poverty and enhance economic resilience across communities.

Socioeconomic Advancement & Empowerment

At the heart of BRAC Bank's mission is empowering underserved communities and driving socioeconomic progress. Our dedicated TARA programme, with a portfolio of BDT 117,970 million, focuses on supporting women entrepreneurs, small businesses, and low-income households, contributing to SDG 5 (Gender Equality), SDG 1 (No Poverty), and SDG 10 (Reduced Inequality). TARA offers specialized banking solutions for women, fostering their economic empowerment and supporting SDG 5. Additionally, by contributing 24% of industry financing to Women-Owned Small and Medium Enterprises (WSMEs), we further strengthen our commitment to gender equality and local economic growth. Through these initiatives, we are breaking down barriers, creating equal opportunities, and promoting sustainable, inclusive progress for all.



Environment Related Initiatives

BRAC Bank has implemented a variety of initiatives aimed at promoting environmental sustainability and addressing environmental issues both within its operations and in the communities it serves. Some of the key examples include:

Digital Banking Initiatives

To reduce paper usage and minimize its emissions footprint, BRAC Bank has embraced digital banking solutions such as mobile banking, internet banking, and ATM banking. The bank has also introduced several digital products and services, extending its reach to remote rural and semi-urban markets. Additionally, BRAC Bank continues to invest in research and development to innovate new digital products, further advancing its environmental goals.



Increasing CSR in Environmental Projects

BRAC Bank has made significant investments in climate adaptation programmes through its CSR initiatives. These investments include funding agricultural adaptation projects and supporting research in climate adaptation, aiming to address environmental challenges and foster sustainable practices in local communities.



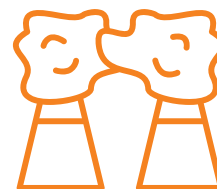
Sustainable Internal Operations

To reduce its environmental impact, BRAC Bank has adopted sustainable practices within its operations. This includes using energy-efficient equipment, such as LED bulbs, which consume less energy and emit less UV radiation. Additionally, the bank has implemented scheduling systems for elevators and equipment to optimise energy consumption, further reducing its carbon footprint.



Managing Our Carbon Emissions

BRAC Bank is actively working to mitigate its carbon footprint through digital transformation and sustainable financing. The bank is also committed to calculating its carbon emissions in accordance with the PCAF methodology, ensuring that it can effectively measure and manage its environmental impact.



Use of Renewable Energy

As part of its commitment to sustainability, BRAC Bank is increasing the share of renewable energy in its total power consumption. Solar panels have been installed at the bank's Head Office, and the organization plans to install solar panels in future office buildings, wherever feasible, further reducing its dependence on non-renewable energy sources.



Responsible Financing

BRAC Bank has built a substantial portfolio in responsible financing, focusing on energy-efficient machinery, environmentally friendly establishments, and renewable energy projects. This portfolio highlights the bank's dedication to financing projects that support sustainable development and environmental responsibility.






 Credit portfolio and market exposures
←

 More use of LED lights
←

 Capacity building session on E&S
←

 Digital banking & use of recycled papers/biodegradable materials
←

 Solar panel at head office and Branches
←

ESG PARAMETER INDEX

Pillar	Theme	Description	Unit	Response
Environmental	Climate Change	Emissions Reduction Initiatives	Y/N	Y
Environmental	Climate Change	Physical Risk Identified	Y/N	Y
Environmental	Climate Change	GHG Emission Scope 1	tCO2	1,630.21
Environmental	Climate Change	GHG Emission Scope 2	tCO2	16,671.15
Environmental	Climate Change	GHG Emission Scope 3	tCO2	1,459,166.23
Environmental	Climate Change	Percentage of Disclosure in Financed Emission	Percentage	100%
Environmental	Climate Change	Scope 3 Business Travel Emissions	tCO2	29,685.97
Environmental	Climate Change	Scope 3 Financed Emissions	tCO2	1,423,479.42
Environmental	Climate Change	Scope 3 Employee Commuting Emissions	tCO2	3,536.68
Environmental	Climate Change	GHG Scope 1 & 2 Location-Based	Thousand Metric Tonnes CO2e	18.30
Environmental	Climate Change	GHG Scope 1 & 2 Market-Based	Thousand Metric Tonnes CO2e	18.30
Environmental	Climate Change	GHG Scope 2 Location-Based	Thousand Metric Tonnes CO2e	16.67
Environmental	Climate Change	GHG Scope 2 Market-Based	Thousand Metric Tonnes CO2e	16.67
Environmental	Climate Change	Scope 3 Fuel & Energy Related Activities Emissions	Thousand Metric Tonnes CO2e	33.22
Environmental	Climate Change	Scope 3 Waste Generated in Operations Emissions	Thousand Metric Tonnes CO2e	0.11
Environmental	Climate Change	Carbon Offsets	Thousand Metric Tonnes CO2e	7.04
Environmental	Climate Change	Climate Change Policy	Y/N	N
Environmental	Climate Change	Climate Change Opportunities Discussed	Y/N	Y
Environmental	Climate Change	Risks of Climate Change Discussed	Y/N	Y
Environmental	Climate Change	Climate Scenario Analysis	Y/N	Y
Environmental	Climate Change	GHG Emissions Reduction Policy	Y/N	Y
Environmental	Climate Change	Carbon Per Employee	Metric Tonnes CO2e/Employee	5.9
Environmental	Climate Change	Floor Area Emissions Per Square Meter	Metric Tonnes CO2e/Square Foot/Meter of Retail Space	0.38
Environmental	Climate Change	Value of Utilities & Power Generation Lending	BDT Million	8,081.75
Environmental	Energy	Renewable Electricity Target Policy	Y/N	N

Pillar	Theme	Description	Unit	Response
Environmental	Energy	Electricity Used	Thousand Megawatt Hours	19.99
Environmental	Energy	Grid Electricity Used	Thousand Megawatt Hours	19.92
Environmental	Energy	Renewable Energy Consumed	Percentage	0.36%
Environmental	Energy	Grid Electricity Used	Percentage	99.64%
Environmental	Energy	Renewable Energy Use	Thousand Megawatt Hours	0.072
Environmental	Energy	Self-Generated Renewable Electricity	Thousand Megawatt Hours	0.072
Environmental	Energy	Self-Generated Total Energy	Thousand Megawatt Hours	0.027
Environmental	Energy	Total Fuel Consumed	Liter	141,831
Environmental	Energy	Total Energy Consumption	Thousand Megawatt Hours	20.09
Environmental	Energy	Fuel Used - Natural Gas	Thousand Cubic Meters	N/A
Environmental	Energy	Percentage Natural Gas of Total Fuel Consumed	Percentage	N/A
Environmental	General	ESG Risks Incorporated in Underwriting	Y/N	Y
Environmental	General	Incorporates ESG Into the Investment Process	Y/N	Y
Environmental	General	Incorporates ESG Screening into Lending Process	Y/N	Y
Environmental	General	PCAF Signatory	Y/N	Y
Environmental	General	Targets for Sustainable/ESG Finance	Y/N	Y
Environmental	General	Financed Emissions - Scope 1,2,3	tCO2	3,587,779.41
Environmental	General	Financed Emissions Reported - Scope 1+2	tCO2	1,423,479.42
Environmental	General	Financed Emissions Reported - Scope 3	tCO2	2,164,300
Environmental	General	Financed Emissions Scope 1+2 - Utilities & Power Generation	tCO2	114,884.23
Environmental	General	Financed Scope 1+2 Emissions - Agriculture	tCO2	17,855.54
Environmental	General	Financed Scope 1+2 Emissions - Autos	tCO2	1,529.73
Environmental	General	Financed Scope 1+2 Emissions - Chemicals	tCO2	12,102.04
Environmental	General	Financed Scope 1+2 Emissions - Coal	tCO2	0
Environmental	General	Financed Scope 1+2 Emissions - Mining	tCO2	372.56
Environmental	General	Financed Scope 1+2 Emissions - Oil & Gas	tCO2	6,361.93
Environmental	General	Financed Scope 1+2 Emissions - Real Estate	tCO2	1,042.07
Environmental	General	Financed Scope 1+2 Emissions - Steel & Iron	tCO2	250,366.55
Environmental	General	Financed Scope 1+2 Emissions - Transportation	tCO2	4,015.01
Environmental	General	Financed Scope 3 Emissions - Coal	tCO2	0
Environmental	General	Financed Scope 3 Emissions - Mining	tCO2	0
Environmental	General	Financed Scope 3 Emissions - Oil & Gas	tCO2	9,701.53

Pillar	Theme	Description	Unit	Response
Environmental	General	Financed Emission/CO2 per lending client (Scope 1+2)	tCO2	4.06
Environmental	General	Target Year to Exclude Coal Finance	Y	Already excluded in 2023
Environmental	General	Incorporates ESG Screening into Lend Process	Y/N	Y
Environmental	General	Net Zero Financed or Underwriting Emission Target	Y/N	N
Environmental	General	Net Zero Financed Emissions Target Year	Year	N/A
Environmental	General	GHG/CO2 per Lending	kg CO2e to Million Dollars of Lending	0.12
Environmental	General	GFANZ Signatory	Y/N	N
Environmental	General	Poseidon Signatory	Y/N	N
Environmental	General	Financial Climate Stress/Scenario Testing	Y/N	N
Environmental	General	Mortgage Portfolio with Physical Risk Exposure Percentage	Percentage	2.93%
Environmental	General	Exclusion of Coal Investments	Y/N	Y
Environmental	General	Target Year to Exclude Coal Investments	Year	Already excluded from 2023
Environmental	General	Exclusion of Oil & Gas Investments	Y/N	N
Environmental	General	Exclusion of Coal Underwriting	Y/N	Y
Environmental	General	Target Year to Exclude Coal Underwriting	Year	Already excluded from 2023
Environmental	General	Exclusion of Oil & Gas Underwriting	Y/N	N
Environmental	General	Target Year to Exclude Oil & Gas Underwriting	Year	Already excluded
Environmental	General	Exclusion of Non-Certified Palm Oil Underwriting	Y/N	N
Environmental	General	Lending to Energy Efficiency	BDT Million	11,832.59
Environmental	General	Lending to Green Buildings	BDT Million	8,076.20
Environmental	General	Lending to Renewable Energy	BDT Million	1,916.46
Environmental	General	Lending to Social Impact	BDT Million	69,783.64
Environmental	General	Lending to Sustainable Transport	BDT Million	11,362.76
Environmental	General	Total Portfolio with Physical Risk Exposure Percentage	Percentage	5.25%
Environmental	General	Sustainable/ESG Lending	BDT Million	502,146.34
Environmental	General	Sustainable/ESG Underwriting	BDT Million	665,596.00
Environmental	General	Value of Agriculture Lending	BDT Million	10,511.32
Environmental	General	Value of Aluminium Lending	BDT Million	1,762.94
Environmental	General	Value of Autos Lending	BDT Million	4,040.37

Pillar	Theme	Description	Unit	Response
Environmental	General	Value of Cement & Concrete Lending	BDT Million	7,196.06
Environmental	General	Value of Chemicals Lending	BDT Million	2,521.86
Environmental	General	Value of Oil and Gas Lending	BDT Million	524,682.20
Environmental	General	Value of Real Estate Lending	BDT Million	11,477.57
Environmental	General	Value of Shipping Lending	BDT Million	0
Environmental	General	Value of Steel & Iron Lending	BDT Million	29,167.74
Environmental	General	Value of Transportation Lending	BDT Million	2,038.45
Environmental	General	GRI Criteria Compliance	Y/N	Y
Environmental	Natural Capital	Number of Environmental Fines	Count	0
Environmental	Natural Capital	Amount of Environmental Fines	Million Reporting Currency	0
Environmental	Natural Capital	Biodiversity Policy	Y/N	N
Environmental	Natural Capital	Number of Significant Environmental Fines	Count	0
Environmental	Natural Capital	Amount of Significant Environmental Fines	Million Reporting Currency	0
Environmental	Natural Capital	Paper Consumption	Thousand Metric Tonnes	0.1
Environmental	Natural Capital	Total Water Use	Thousand Cubic Meters	515.28
Environmental	Natural Capital	Percentage Water Recycled	Percentage	0.002911023
Environmental	Natural Capital	Waste Used for Energy	Thousand Metric Tonnes	N/A
Environmental	Natural Capital	Air Pollution Reduction Policy	Y/N	N/A
Environmental	Natural Capital	Water Consumption	Thousand Cubic Meters	516.78
Environmental	Natural Capital	Rainwater Harvested	Thousand Cubic Meters	1.5
Environmental	Value Chain	Customer Efficiency Initiatives	Y/N	Y
Governance	Audit & Oversight	Audit Committee Meeting Attendance	Percentage	95.45%
Governance	Audit & Oversight	Board Meeting Attendance	Percentage	86.33
Governance	Audit & Oversight	Board of Corporate Auditors Meeting Attendance	Percentage	95.45%
Governance	Audit & Oversight	Years Auditor Employed	Years	24 years
Governance	Board Composition	Number of Sustainable Finance Committee Meetings	Count	3
Governance	Board Composition	Size of Sustainable Finance Committee	Count	16
Governance	Board Composition	Sustainable Finance Committee	Y/N	Y

Pillar	Theme	Description	Unit	Response
Governance	Board Composition	Average Age of Board	Years	62
Governance	Board Composition	Independent Directors Board Meeting Attendance	Percentage	89.52%
Governance	Board Composition	Independent Directors	Percentage	77.78%
Governance	Board Composition	Independent Directors on Audit Committee	Percentage	100%
Governance	Board Composition	Non-Executive Directors on Board	Percentage	100%
Governance	Board Composition	Age of the Oldest Director	Years	71
Governance	Board Composition	Age of the Youngest Director	Years	45
Governance	Board Composition	Audit Committee Meetings	Count	7
Governance	Board Composition	Board Age Limit	Years	75
Governance	Board Composition	Board Duration (Years)	Years	For Independent Directors: 6 Years For Nominated Directors: 12 Years
Governance	Board Composition	Board Size	Count	Total 9 Directors including 7 Independent Directors
Governance	Board Composition	Board of Corporate Auditors Meetings	Count	7
Governance	Board Composition	Board of Directors Age Range	Years	45 to 54 = 2 55 to 64 = 2 65 to 72 = 5
Governance	Board Composition	Number of Directors Attending less than 75% of meetings	Count	1
Governance	Board Composition	Number of Board Meetings for the Year	Count	17
Governance	Board Composition	Number of Employee Representatives on the Board	Count	1
Governance	Board Composition	Number of Independent Directors	Count	7
Governance	Board Composition	Number of Independent Directors on Audit Committee	Count	4
Governance	Board Composition	Number of Non-Executive Directors on Board	Count	9

Pillar	Theme	Description	Unit	Response
Governance	Board Composition	Number of Non-Exec Directors on Audit Committee	Count	4
Governance	Board Composition	Number of Women on Board	Count	3
Governance	Board Composition	Size of Audit Committee	Count	Consist of 4 Members
Governance	Board Composition	Unitary or Two-Tier Board System	Nominal (1-2)	2
Governance	Board Composition	Company Conducts Board Evaluations	Y/N	Y
Governance	Board Composition	Independent Audit Committee Chairperson	Y/N	Y
Governance	Board Composition	Board Meeting Attendance Percentage	Percentage	86.33%
Governance	Board Composition	% Women on Board	Percentage	33.33%
Governance	Board Composition	Board Average Age	Years	62
Governance	Board Composition	Independent Lead Director	Y/N	Y
Governance	Board Composition	Independent Chairperson	Y/N	Y
Governance	Board Composition	Former CEO or its Equivalent on Board	Y/N	Y
Governance	Board Composition	Female Chairperson or Equivalent	Y/N	N
Governance	Board Composition	Number of Non-Executive Directors on Board	Count	9
Governance	Board Composition	Percentage of Non-Executive Directors on Board	Percentage	100%
Governance	Board Composition	Number of Directors Attending less than 75 Percentage of Meetings	Count	1
Governance	Board Composition	Independent Directors Board Meeting Attendance %	Percentage	89.52%
Governance	Board Composition	Percentage of Independent Directors on Audit Committee	Percentage	100%
Governance	Board Composition	Audit Committee Meeting Attendance Percentage	Percentage	95.45%
Governance	Board Composition	Number of Independent Directors on CSR Committee	Count	2
Governance	Board Composition	Percentage of Independent Directors on CSR Committee	Percentage	66%
Governance	Board Composition	CSR Committee Chairperson Independent	Y/N	N
Governance	Board Composition	Number of Non-Executive Directors on CSR Committee	Count	3

Pillar	Theme	Description	Unit	Response
Governance	Board Composition	Non-Executive Director with Responsibility for CSR	Y/N	Y
Governance	Board Composition	Executive Director with Responsibility for CSR	Y/N	Y
Governance	Board Composition	Audit Financial Expert	Y/N	Y
Governance	Compensation	Director Share Ownership Guidelines	Y/N	Y
Governance	Executive Structure	Percentage of Female Executives	Percentage	10.28%
Governance	Executive Structure	Number of Female Executives	Count	105
Governance	General	Sustainable Finance Committee Attendance	Percentage	85%
Social	Business Practices	Business Ethics Policy	Y/N	N
Social	Business Practices	Anti-Bribery Ethics Policy	Y/N	N
Social	Business Practices	Amount of Anti - Competition Fines	Million Reporting Currency	0
Social	Business Practices	Number of Fines for Anti - Competition	Count	0
Social	Business Practices	Number of Fines for Bribery And Corruption	Count	0
Social	Business Practices	Amount Of Fines for Bribery And Corruption	Million Reporting Currency	0
Social	Business Practices	Cybersecurity Risk Management	Y/N	Y
Social	Community & Customers	Number of Fines for Data Breaches	Count	0
Social	Community & Customers	Amount of Fines for Data Breaches	Million Reporting Currency	0
Social	Community & Customers	Financial Products Transparency Policy	Y/N	Y
Social	Community & Customers	Community Spending	BDT Million	229.32
Social	Community & Customers	Number of Customer Complaints	Count	2,530
Social	Community & Customers	Financial Literacy Programmes	Y/N	Y
Social	Community & Customers	Financial Inclusion Policy	Y/N	N
Social	Community & Customers	Number of Customers	Count	2 million
Social	Community & Customers	Human Rights Due Diligence Process	Y/N	Y

Pillar	Theme	Description	Unit	Response
Social	Community & Customers	Human Rights Policy	Y/N	Y
Social	Community & Customers	Human Rights Remediation Process	Y/N	Y
Social	Community & Customers	Number of Participants in Financial Literacy Programmes	Count	2,696
Social	Community & Customers	Number of Customers Affected by Data Breaches	Count	0
Social	Community & Customers	Number of Data Breaches	Count	0
Social	Community & Customers	Consumer Data Protection Policy	Y/N	Y
Social	Community & Customers	Data Security Risks Discussed	Y/N	Y
Social	Community & Customers	Executive with Responsibility for Data Security	Y/N	Y
Social	Community & Customers	Product Data Security Policy	Y/N	Y
Social	Community & Customers	Percentage Data Breaches Personal Id Info	Percentage	0%
Social	Executive Structure	Number of Executives / Company Managers (AVP & above)	Count	1,021
Social	General	UN Global Compact Signatory	Y/N	Y
Social	Human Capital	Number of Fines for Health and Safety	Count	0
Social	Human Capital	Amount Of Fines for Health And Safety	Million Reporting Currency	0
Social	Human Capital	Average Employee Training Hours	Hours	24.45
Social	Human Capital	Duration of Strikes and Lockouts	Days	0
Social	Human Capital	Employee Average Age	Years	36.4
Social	Human Capital	Employee Training Cost	BDT Million	68
Social	Human Capital	Employee Turnover/Attrition	Percentage	6.75%
Social	Human Capital	Employees on Primary Parental Leave (female)	Percentage	4.40%
Social	Human Capital	Employees on Secondary Parental Leave (Male)	Percentage	4.58%
Social	Human Capital	Involuntary Turnover	Percentage	0.37%
Social	Human Capital	Disabled in Workforce	Percentage	0.03%
Social	Human Capital	Minorities in Management (AVP & above)	Percentage	11.58%
Social	Human Capital	Minorities in Workforce	Percentage	14.28%
Social	Human Capital	Women in Management (AVP & above)	Percentage	10.28%
Social	Human Capital	Women in Workforce	Percentage	16.05%
Social	Human Capital	Women in IT	Percentage	12.33%
Social	Human Capital	Minorities in IT & Engineering	Percentage	16.67%
Social	Human Capital	Contractors in Total Workforce/Outsourced employee	Percentage	21.86%

Pillar	Theme	Description	Unit	Response
Social	Human Capital	Total Hours Spent by Firm - Employee Training	Hours	332,545
Social	Human Capital	Voluntary Turnover	Percentage	6.38%
Social	Human Capital	Employees on Primary Parental Leave Count female	Count	64
Social	Human Capital	Employees on Secondary Parental Leave Count male	Count	349
Social	Human Capital	New Hires Count	Count	3,408
Social	Human Capital	Number of Employees - CSR	Count	6
Social	Human Capital	Number of Part-Time Employees	Count	0
Social	Human Capital	Number of Strikes and Lockouts	Count	0
Social	Human Capital	Number of Temporary Employees	Count	1
Social	Human Capital	Occupational Disease Cases	Count	0
Social	Human Capital	Total Workforce	Count	11,604
Social	Human Capital	Workforce Accidents - Employees	Count	0
Social	Human Capital	Company Diversity Target Indicator	Y/N	Y
Social	Human Capital	Employee CSR Training	Y/N	Y
Social	Human Capital	Employee Engagement Survey	Y/N	N
Social	Human Capital	Employee Protection / Whistle Blower Policy	Y/N	Y
Social	Human Capital	Equal Opportunity Policy	Y/N	Y
Social	Human Capital	Fair Remuneration Policy	Y/N	Y
Social	Human Capital	Health and Safety Policy	Y/N	Y
Social	Human Capital	Policy Against Child Labor	Y/N	Y
Social	Human Capital	Training Policy	Y/N	Y
Social	Human Capital	Women on Board	Percentage	30%
Social	Human Capital	Percentage of Employees Unionized	Percentage	N/A
Social	Human Capital	Percentage of Women in Management	Percentage	5.00%
Social	Human Capital	Percentage of Women in Workforce	Percentage	16.05%
Social	Human Capital	Percentage of Minorities in Management	Percentage	5.00%
Social	Human Capital	Percentage of Minorities in Workforce	Percentage	14.28%
Social	Human Capital	Percentage of Disabled in Workforce	Percentage	0.030%
Social	Human Capital	Percentage of Women in Middle and or Other Management	Percentage	10.28%
Social	Human Capital	Percentage of Minorities IT Engineering	Percentage	16.67%
Social	Supply Chain	Number of Suppliers	Count	396

VALUE ADDED STATEMENT

BRAC Bank's value-added represents the value created through its diverse financing and operational activities, encompassing its core lending business, treasury and investment operations, foreign exchange dealings, and other related activities. This value is subsequently dispersed among various stakeholder segments, reflecting the bank's commitment to delivering comprehensive financial solutions and fostering economic growth.

In 2024, despite the significant macroeconomic challenges, significant political transformation and economic reforms BRAC Bank demonstrated exceptional performance across all its business segments. This resilience and

strategic execution led to a 46% increase in value created for stakeholders over the last financial year, reaching BDT 33,635 million.

This growth in value-added underscores BRAC Bank's robust operational capabilities and its ability to navigate through adverse conditions while continuing to create substantial value for its stakeholders. The bank's success in enhancing value-added highlights its effective management, strategic foresight, and unwavering commitment to stakeholder satisfaction. This achievement reinforces the bank's position as a leading financial institution dedicated to sustainable value creation and economic development.

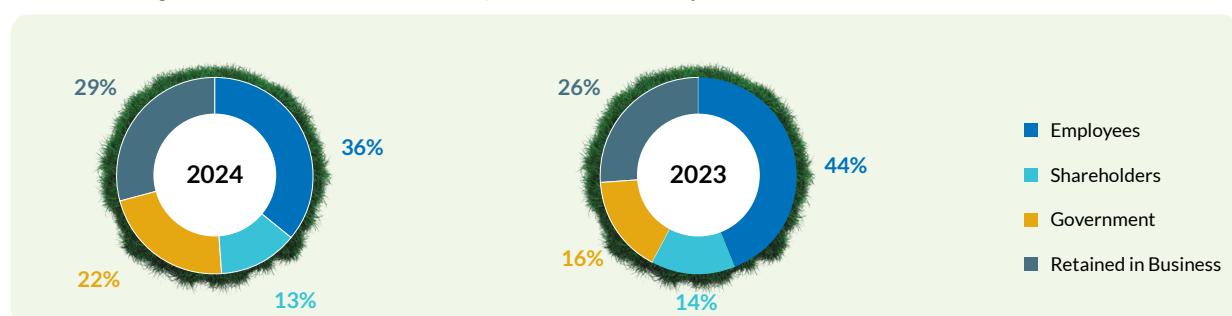
Value-added statement (BDT in Mn)

Value-added	2024		2023	
	Amount	%	Amount	%
Interest income	55,952		39,086	
Interest expenses***	42,491		21,367	
Net interest income	13,462		17,718	
Investment income	21,265		7,576	
Commission, exchange and brokerage	9,297		6,172	
Other operating income	227		145	
Operating expenses excluding staff costs and depreciation	(6,780)		(5,620)	
Provisions made during the current year	(3,836)		(2,918)	
Total Value Added by the Company	33,635	100%	23,073	100%

Distribution of value-added (BDT in Mn)

Value-added	2024		2023	
	Amount	%	Amount	%
To employees				
as salary and allowance	11,992	36%	10,154	44%
To providers of capital				
dividend to shareholders (cash and stock)	4,424	13%	3,218	14%
To government				
as corporate tax	7,455	22%	3,709	16%
For expansion and growth	9,764	29%	5,992	26%
as retained income	7,712	23%	4,086	18%
as depreciation	2,052	6%	1,906	8%
Providers of debts				
as interest expenses***	-	-	-	-
Total value distribution	33,635	100%	23,073	100%
Number of employees	9,067		8,231	
Value added per employee	3.71		2.80	

*** Considering the business model, interest expenses have been adjusted within the net interest income calculation.



AWARD AND RECOGNITIONS

Climate-focused Bank in Bangladesh Award



Dhaka University Institute of Energy & GreenTech Foundation

Gold Award



ICMAB Best Corporate Award 2023

Credit Business (Domestic) | Credit Business (International) | Contactless Issuing | Contactless POS Acquiring



Mastercard Excellence Awards 2024

Excellence in Consumer Debit Card | Commercial Debit Card | Merchant Acquiring POS | Value-Added Services



VISA Excellence Awards 2024

Top-10 Sustainable Banks 2020, 2021, 2022, 2023



Bangladesh Bank

Top 5 Income Tax Payers FY 2022-23



National Board of Revenue

Product Innovation of the Year –Platinum (Global), Product Innovation of the Year –Platinum (Asia) and Best Financier for Women Entrepreneurs (Asia) 2024



SME Finance Forum

SDG Pioneer Award 2024

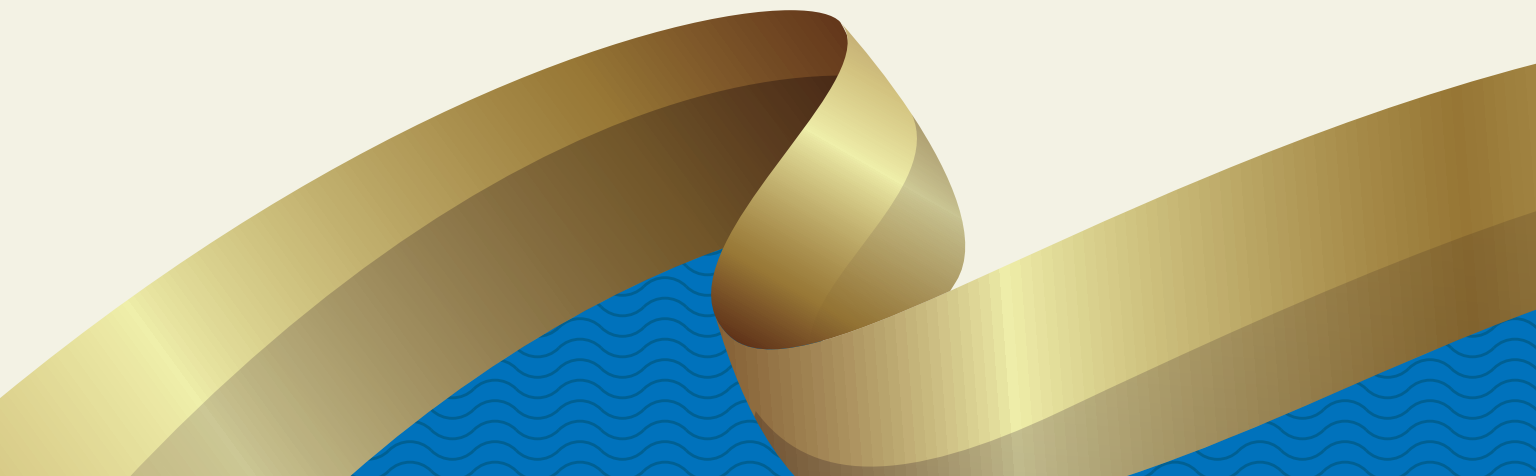


Global Compact Network Bangladesh

National Award for Corporate Governance Excellence Silver Award



ICSB



**The Highest
Online Bill Collection
Award FY 2022-2023**



Dhaka WASA

**4th position in remittance
volume in Bangladesh FY
2023-24**



Ministry of Expatriates' Welfare &
Overseas Employment

**Top Ten Remittance
Award 2024**



Centre for Non-Resident
Bangladeshi

**Best Banking
Partner**



ZTE Bangladesh

**Qorus Reinvention
Awards**



Qorus-Infosys



HIGHLIGHTS FROM 2024



One of the top sustainable banks in the country for Four consecutive years (2020, 2021, 2022 and 2023) from the central bank.



Bloomberg has ranked BRAC Bank as one of the top sustainable companies in Bangladesh for 2024, awarding it a score of 43.37, surpassing several major companies in the country.



Syeda Rizwana Hasan, Adviser to the Ministry of Environment, Forest, and Climate Change, formally launched Sustainability Report 2023 of BRAC Bank. The report encapsulates the bank's purpose and actions in sustainability frontiers.



British International Investment (BII), the UK's development finance institution (DFI) and impact investor, announced a loan commitment of \$50 million to BRAC Bank. The loan will provide vital funding to support growth of micro-, small- and medium enterprises (MSMEs) and women-led businesses.



BRAC Bank Chairperson Meheriar M. Hasan and Managing Director and CEO Selim R. F. Hussain inaugurated its Banani 11 Branch at a new and more spacious premises



BRAC Bank has launched its Bancassurance service, enabling customers to access insurance products directly through the bank.



BRAC Bank has set an example in the banking industry by running three branches with all-women officials, showcasing the bank's commitment to gender equality.



BRAC Bank organised Annual Risk Conference 2024 to raise co-workers' awareness of risks in daily banking operations and find effective ways to overcome them.



BRAC Bank has entered into a strategic partnership with DHL, the world-renowned logistics company, to introduce the GOGREEN Plus Carbon Reduced Shipping Service, reaffirming its commitment to environmental sustainability.



BRAC Bank has won the 'Climate-focused Bank in Bangladesh Award' from Dhaka University Institute of Energy and the GreenTech Foundation in recognition of its strong commitment to sustainability.



BRAC Bank has opened a dedicated Client Service Unit at the bank's head office in Dhaka to facilitate international trade for its valued Corporate and Institutional customers.



The Institute of Cost and Management Accountants of Bangladesh (ICMAB) has awarded BRAC Bank the 'Gold Award', the highest accolade, in the "ICMAB Best Corporate Award 2023" in the private commercial bank category.



BRAC Bank won four prestigious Visa awards at VISA Leadership Conclave 2024 in recognition of its outstanding business in the cards issuing and acquiring and value-added services categories.



BRAC Bank received four prestigious awards from Mastercard for its outstanding business and innovation in various card issuing and acquiring segments. Ahsan H. Mansur, Governor of Bangladesh Bank, handed over the awards at the Mastercard Excellence Awards 2024



BRAC Bank was honoured with three prestigious awards from the SME Finance Forum of the World Bank Group, including two top accolades in SME product innovation.



The Ministry of Expatriates' Welfare & Overseas Employment awarded BRAC Bank the prestigious Remittance Award for attaining the 4th position in terms of remittance volume among all banks in Bangladesh during FY 2023-24.



BRAC Bank was honoured as the 'Best Banking Partner of the Year 2023' by ZTE Corporation Bangladesh Ltd. for its excellence in corporate banking.



BRAC Bank set up a dedicated Front Desk at the One Stop Service Centre of Bangladesh Economic Zones Authority (BEZA) to provide exclusive banking services to economic zone investors.



Bangladesh Bank in partnership with BRAC Bank organised a workshop to disseminate financial literacy activities undertaken by the central bank to the media people.



BRAC Bank partnered with Bangladesh Eye Trust Hospital to make cataract surgeries more accessible for underprivileged individuals.



BRAC Bank PLC has partnered with JP Morgan Chase, the largest bank in the USA, to facilitate inward and outward remittances.



BRAC Bank organised all-women entrepreneur product fair 'TARA Uddokta Mela 2024' to promote locally made products by women entrepreneurs and create a market for their products.



Female leaders in key frontline roles play a significant part in the bank's rapid business growth. In view of this, BRAC Bank recognised top-performing female officials of its Distribution Network who achieved outstanding deposit business performance during the first quarter of 2024.



BRAC Bank celebrated Mother's Day 2024 with a special event, inviting the mothers of its co-workers to visit and mingle with their children at their workplace. The objective of this engagement was to thank the mothers for the value their children are adding to BRAC Bank's progress.



Mr. Sabbir Hossain, DMD and COO of BRAC Bank PLC, awarded as UNGCNB SDG Pioneer 2024 from Bangladesh



BRAC Bank opened a Collection Booth at BRAC University's newly developed campus to collect student fees and provide banking information services.



BRAC Bank's Head of Sustainable Finance at the fully funded leadership development programme on sustainability by IFC in Geneva, Switzerland

GRI CONTENT INDEX

Statement of Use: BRAC Bank PLC. has reported in accordance with GRI Standards for the period from January 1st 2024 to December 31st 2024

Disclosure	Location in the Report	Comment
General Disclosure		
GRI 2: General Disclosure 2021		
Disclosure 2-1 Organizational Details	28-32	
Disclosure 2-2 Entities Included in the organisation's sustainability reporting	28-32	
Disclosure 2-3 Reporting Period, Frequency and Contact Point	3	We are publishing our sustainability report every year since 2022.
Disclosure 2-4 Restatements of information	105-115	
Disclosure 2-5 External assurance	88	
Disclosure 2-6 Activities, value chain and other business relationships	87-101	
Disclosure 2-7 Employees	80, 141-143	
Disclosure 2-8 Workers who are not employees	141-143	
Disclosure 2-9 Governance structure and composition	84-86	
Disclosure 2-10 Nomination and selection of the highest governance body	137-140	
Disclosure 2-11 Chair of the highest governance body	84-86	
Disclosure 2-12 Role of the highest governance body in overseeing the management of impacts	84-86	
Disclosure 2-13 Delegation of responsibility for managing impacts	84-86	
Disclosure 2-14 Role of the highest governance body in sustainability reporting	84-86	
Disclosure 2-15 Conflicts of interest	84-86	
Disclosure 2-16 Communication of critical concerns	84-86	
Disclosure 2-17 Collective knowledge of the highest governance body	84-86	
Disclosure 2-19 Remuneration policies	74	
Disclosure 2-20 Process to determine remuneration	142	

Disclosure	Location in the Report	Comment
Disclosure 2-22 Statement on sustainable development strategy	87-101	
Disclosure 2-23 Policy commitments	124	
Disclosure 2-24 Embedding policy commitments	124, 84-86, 76-77	
Disclosure 2-25 Processes to remediate negative impacts	74-75	
Disclosure 2-26 Mechanisms for seeking advice and raising concerns	94	
Disclosure 2-27 Compliance with laws and regulations	91	
Disclosure 2-28 Membership associations	22, 119	
Disclosure 2-29 Approach to stakeholder engagement	84-86	
Disclosure 2-30 Collective bargaining agreements	74	
Material Topics GRI 3: Material Topics 2021		
Disclosure 3-1 Process to determine material topics	38-39	
Disclosure 3-2 List of material topics	38-39	
Disclosure 3-3 Management of material topics	38-39	
Economic Performance GRI 201: Economic Performance 2016		
Disclosure 201-1 Direct economic value generated and Distributed	143	
Disclosure 201-2 Financial implications and other risks and opportunities due to climate change	98-99	
Disclosure 201-3 Defined benefit plan obligations and other retirement plans	-	BRAC Bank has sperate Compensation & Benefit policy where employee has defined benefit plan obligation and other retirement plans
Disclosure 201-4 Financial assistance received from Government	126	
Market Presence GRI 202: Market Presence 2016		
Disclosure 202-2 Proportion of senior management hired from the local community	84-86	
Indirect Economic Impact GRI 203: Indirect Economic Impacts 2016		
Disclosure 203-1 Infrastructure investments and services supported	87-101	

Disclosure	Location in the Report	Comment
Disclosure 203-2 Significant indirect economic impacts	87-101	
Anti-Corruption GRI 205: Anti-corruption 2016		
Disclosure 205-1 Operations assessed for risks related to corruption	89-95, 129, 140	
Disclosure 205-2 Communication and training about anti-corruption policies and procedures	76-77	
Disclosure 205-3 Confirmed incidents of corruption and actions taken	140	
Anti-competitive Behaviour GRI 206: Anti-competitive Behaviour 2016		
Disclosure 206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	140	
Materials GRI 301: Materials 2016		
Disclosure 301-1 Materials used by weight or volume	56, 137	
Disclosure 301-2 Recycled input materials used	105-106	
Energy GRI 302: Energy 2016		
Disclosure 302-1 Energy consumption within the Organization	105-115	
Disclosure 302-2 Energy consumption outside of the Organization	105-115	
Disclosure 302-3 Energy intensity	105-115	
Disclosure 302-4 Reduction of energy consumption	105-115	
Disclosure 302-5 Reductions in energy requirements of products and services	105-115	
Water and Effluents GRI 303: Water and Effluents 2018		
Disclosure 303-1 Interactions with water as a shared Resource	110, 130	
Disclosure 303-5 Water consumption	130, 137	
Biodiversity GRI 304: Biodiversity 2016		
Disclosure 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	129-130	

Disclosure	Location in the Report	Comment
Disclosure 304-2 Significant impacts of activities, products and services on biodiversity	129-130	
Disclosure 304-3 Habitats protected or restored	129-130	
Disclosure 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	129-130	
Emissions GRI 305: Emissions 2016		
Disclosure 305-1 Direct (Scope 1) GHG emissions	105-115	
Disclosure 305-2 Energy indirect (Scope 2) GHG emissions	105-115	
Disclosure 305-3 Other indirect (Scope 3) GHG emissions	105-115	
Disclosure 305-4 GHG emissions intensity	105-115	
Disclosure 305-5 Reduction of GHG emissions	105-115	
Waste GRI 306: Waste 2020		
Disclosure 306-2 Management of significant waste related impacts	102-104, 55-57	
Disclosure 306-4 Waste diverted from disposal	102-104, 55-57	
Supplier Environmental Assessment GRI 308: Supplier Environmental Assessment 2016		
Disclosure 308-1 New suppliers that were screened using environmental criteria	87-101, 104, 127-128	
Disclosure 308-2 Negative environmental impacts in the supply chain and actions taken	104, 127-128	
Employment GRI 401: Employment 2016		
Disclosure 401-1 New employee hires and employee Turnover	141	
Disclosure 401-2 Benefits provided to full-time employees that are not provided to temporary or parttime employees	74-75	
Disclosure 401-3 Parental leave	141-142	
Occupational Health and Safety GRI 403: Occupational Health and Safety 2018		
Disclosure 403-1 Occupational health and safety management system	73-75	

Disclosure	Location in the Report	Comment
Disclosure 403-2 Hazard identification, risk assessment, and incident investigation	102-104	
Disclosure 403-3 Occupational health services	73-75	
Disclosure 403-4 Worker participation, consultation, and communication on occupational health and safety	73-75	
Disclosure 403-5 Worker training on occupational health and safety	73-75	
Disclosure 403-6 Promotion of worker health	73-75	
Disclosure 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	73-75	
Disclosure 403-8 Workers covered by an occupational health and safety management system	141-142	
Disclosure 403-9 Work-related injuries	-	Nil
Disclosure 403-10 Work-related ill health	-	Nil
Training and Education GRI 404: Training and Education 2016		
Disclosure 404-1 Average hours of training per year per employee	76-77	
Disclosure 404-2 Programmes for upgrading employee skills and transition assistance programmes	76-77	
Disclosure 404-3 Percentage of employees receiving regular performance and career development reviews	74-75	
Diversity and Equal Opportunity GRI 405: Diversity and Equal Opportunity 2016		
Disclosure 405-1 Diversity of governance bodies and employees	84-86	
Non-discrimination GRI 406: Non-discrimination 2016		
Disclosure 406-1 Incidents of discrimination and corrective actions taken	102-103	
Child Labor GRI 408: Child Labor 2016		
Disclosure 408-1 Operations and suppliers at significant risk for incidents of child labour	-	Our HR policy prohibits all forms of child labour. We also maintain our own exclusion list which specifically prohibits financing any activities involving child labour. The exclusion list can be found at page 129-130.

Disclosure	Location in the Report	Comment
Forced or Compulsory Labor GRI 409: Forced or Compulsory Labor 2016		
Disclosure 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	-	Our HR policy prohibits all forms of forced labour. We also maintain our own exclusion list which specifically prohibits financing any activities involving forced labour. The exclusion list can be found at page 129-130.
Rights of Indigenous Peoples GRI 411: Rights of Indigenous Peoples 2016		
Disclosure 411-1 Incidents of violations involving rights of indigenous peoples	-	Our HR policy explicitly addresses the rights of indigenous people. We also maintain our own exclusion list which specifically prohibits financing any activities that violate rights of indigenous people. The exclusion list can be found at page 129-130.
Local Communities GRI 413: Local Communities 2016		
Disclosure 413-1 Operations with local community engagement, impact assessments, and development programmes	48-49	
Disclosure 413-2 Operations with significant actual and potential negative impacts on local communities	98	
Supplier Social Assessment GRI 414: Supplier Social Assessment 2016		
Disclosure 414-1 New suppliers that were screened using social criteria	87-101	
Disclosure 414-2 Negative social impacts in the supply chain and actions taken	104	
Customer Health and Safety GRI 416: Customer Health and Safety 2016		
Disclosure 416-1 Assessment of the health and safety impacts of product and service categories	69-70	
Disclosure 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	-	Nil
Customer Privacy GRI 418: Customer Privacy 2016		
Disclosure 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	-	Nil

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